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# **Financial and Policyholder Activity Report**

November 2008

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

**ASSETS**

Total assets decreased to \$75.9 million in November 2008, decreasing during the month by \$6.9 million. Assessments receivable decreased from \$3.6 million in October to \$807,829 in November due to collections of billed insurer assessments. Cash assets decreased \$4.1 million or 5.5% during the month to \$70.4 million as of November 30, 2008.

Total assets year-to-date in November 2008 increased by \$10.6 million compared to November 2007 total assets, an increase of 16.2%. Cash assets year-to-date increased by \$7.9 million relative to November 2007, a 12.6% increase. Other receivables assets, which include a receivable for federal grant funds that were awarded in July 2008, increased \$2.7 million relative to November 2007. Assessments receivable increased \$807,829, and drug rebate receivables decreased \$764,203.

**LIABILITIES**

Total liabilities decreased to \$29.1 million in November 2008, decreasing during the month by \$5.3 million. Unpaid medical loss liabilities increased by \$2.4 million or 25.8% in November to \$11.8 million, and unpaid drug loss liabilities increased during November by \$717,656 or 192.8% and equaled \$1,089,890. Unearned assessment liability decreased \$3.8 million due to revenue recognition of insurer assessments, while unearned premiums decreased \$4.1 million.

Total liabilities year-to-date in November 2008 increased by \$717,276 relative to total liabilities in November 2007, increasing 2.5% from the prior year. Year-to-date aggregate liabilities for unpaid medical and drug claims were \$12.9 million, decreased by \$1.5 million or 10.6% compared to 2007 year-to-date aggregate claim liabilities. Year-to-date changes in liabilities include a \$986,115 decrease in unearned premium, a \$1.2 million increase in unearned assessments, and a \$2.6 million increase in unearned federal grant funds.

**CALENDAR YEAR 2008 NET INCOME**

Net income for the eleven months ended November 30, 2008 was \$11.8 million, increased by \$3.1 million or 36.1% compared to 2007 year-to-date net income of \$8.7 million. Year-to-date 2008 changes in income and expense include decreases in premium revenues, total medical losses, total pharmacy losses, administrative expenses, and non-operating revenues.

Net premium revenues of \$82.0 million year-to-date through November 2008 decreased by \$10.6 million or 11.4% 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 16,247 HIRSP contracts in force as of November 30, 2008 compared to 17,162 contracts as of November 2007, the current number of contracts having decreased from the prior year by 915. November 2008 year-to-date total operating revenue of \$153.7 million decreased from 2007 year-to-date by \$7.6 million, or 4.7%.

Incurred medical loss expense for the eleven months ended November 30, 2008 was \$107.2 million, decreased by \$10.6 million or 9.0% from incurred medical losses in the eleven months ended November 30, 2007. Paid and approved medical losses decreased to \$111.9 million, decreased by \$6.4 million or 5.4% compared to November 2007. The 2008 year-to-date incurred medical loss expense was \$5.3 million less than the year-to-date paid and approved medical loss expense due to the effect of \$3.8 million of 2008 year-to-date decreases in estimated loss reserve liabilities.

Estimated liabilities for unpaid medical losses decreased by \$3.8 million from December 2007 through November 2008. Estimated loss reserves were reduced in 2008 to correct for prior overstatement of estimated medical losses and to adjust for changes in expected loss experience 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 2008 year-to-date change in loss reserves resulted in a \$5.3 million decrease in incurred medical loss expense through November 2008. Absent the 2008 change in loss reserve liabilities, the year-to-date reported net income of \$11.8 million would have been \$3.8 million less, and would otherwise have been \$8.0 million as of November 2008.

Incurred pharmacy loss expense year-to-date in 2008 was \$30.3 million, reflecting a 2008 decrease of \$3.7 million or 10.9% compared to November 2007 year-to-date total pharmacy loss expense. Aggregate incurred medical and pharmacy loss expense for the first eleven months of 2008 was \$137.5 million, decreased by \$14.4 million or 9.5% compared to aggregate medical and pharmacy loss expense of \$151.8 million for the first eleven months of 2007.

Total administrative expenses and referral fees of \$5.8 million for the first eleven months of 2008 decreased by 2.0% compared to the same period in 2007. Year-to-date in 2008, WPS administrative fees decreased \$84,414 to \$3.9 million and pharmacy administration fees decreased 7.8% to \$983,163, primarily due to declining HIRSP contract counts. Actuarial services expense increased 10.2% to \$178,319.

Investment income for the eleven months ended November 30, 2008 was \$1.3 million, decreased by \$1.7 million or 55.2% 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 \$3.7 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 \$113.9 million of sources of cash compared to \$110.4 million in uses of cash. Non-operating activities provided cash of \$1.5 million. The net change year-to-date is a \$5,025,439 increase in cash through November 2008. The largest use of cash was payment of medical claims.

#### 2008 OPERATING BUDGET

Relative to the 2008 operating budget for the eleven-month period ended November 30, 2008, actual net income of \$11.8 million exceeded budgeted net income by \$22.6 million. Actual total revenues of \$155.0 million were under budget by \$1,069,728. The variance in actual revenues included a \$63,643 excess in net premium revenues, an \$84,212 shortfall in provider contributions, and a \$1,049,159 shortfall in investment income. Actual medical and pharmacy loss expenses of \$137.5 million were under budget by \$23.4 million, and administrative expenses of \$5.8 million were under budget by \$202,303. Year-to-date net income was \$11.8 million as of November 30, 2008, whereas the 2008 budget projected a net loss of \$10.8 million.

#### RETAINED EQUITY

HIRSP Authority total equity decreased by \$1,574,772 during the month of November 2008 and equaled \$46.9 million as of November 30, 2008. The decrease in total equity resulted from November 2008 net operating loss of \$1,649,213 plus investment income of \$74,441, which provided net loss for the month of \$1,574,772.

In November 2008, policyholders' equity decreased by \$2,107,611 to equal \$28.5 million, and exceeded RBC target reserves by \$18.3 million. Providers' equity increased by \$340,764 to equal \$9.3 million, and exceeded RBC target reserves by \$5.9 million. Insurers' equity increased by \$192,075 to equal \$9.1 million, and exceeded RBC target reserves by \$5.7 million. Year-to-date through November 2008, HIRSP Authority total retained equity of \$46.9 million increased by \$9.9 million from the November 2007 year-to-date total equity of \$37.0 million.

Year-to-date through November 2008, total reported net income was \$11.8 million, and reported net retained equity increased from \$35.1 million as of December 31, 2007 to \$46.9 million as of November 30, 2008. However, as noted under the caption "Calendar Year 2008 Net Income," year-to-date reported net income has been increased by \$3.8 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 \$8.0 million and net retained equity would have been \$43.1 million as of November 30, 2008.

Health Insurance Risk-Sharing Plan Authority  
November 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	64,556,834	66,665,540	70,572,338	74,525,761	70,430,938	-
Other Receivables	739,048	575,608	820,274	601,531	672,539	647,572	3,314,467	3,299,166	3,384,232	3,389,965	3,467,531	-
Drug Rebates Receivable	2,298,874	2,006,092	2,081,288	1,610,054	1,576,370	1,812,374	1,641,899	1,391,446	1,518,449	1,275,711	1,187,402	-
Assessments Receivable	18,264,346	12,645,085	8,194,412	1,280,201	583,242	-	21,027,152	12,854,361	9,689,251	3,610,233	807,829	-
Prepaid Items	14,836	14,268	14,431	19,175	13,930	15,948	19,812	19,427	15,187	14,998	14,067	-
Net Fixed Assets	28,825	28,362	27,899	27,436	26,973	26,510	26,047	25,584	25,121	24,658	24,195	-
<b>Total Assets</b>	<b>80,063,761</b>	<b>74,813,322</b>	<b>78,780,227</b>	<b>74,053,942</b>	<b>67,162,006</b>	<b>70,001,569</b>	<b>90,586,211</b>	<b>84,255,524</b>	<b>85,204,578</b>	<b>82,841,326</b>	<b>75,931,962</b>	<b>-</b>
<b>Liabilities and Fund Equity</b>												
Liabilities:												
Unpaid Medical Loss Liabilities	11,092,064	9,840,187	9,223,069	8,863,807	9,685,744	10,672,984	10,854,267	10,099,275	9,852,417	9,416,325	11,845,155	-
Unpaid Prescription Drug Loss Liabilities	575,000	575,000	689,741	596,889	622,188	601,160	538,220	534,072	475,742	372,234	1,089,890	-
Unpaid Loss Adjustment Expense	770,000	770,000	770,000	770,000	770,000	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	11,334,789	7,100,927	11,419,654	11,305,939	7,185,882	-
Unearned Assessments	15,613,256	12,862,921	9,839,542	6,732,488	3,443,710	-	18,031,743	14,804,760	11,438,303	7,873,368	4,027,152	-
Unearned Federal Grant	-	-	-	-	-	-	2,561,169	2,561,169	2,561,169	2,561,169	2,561,169	-
Accounts Payable and Other Accrued Liabilities	2,115,982	1,851,552	1,919,771	1,934,209	2,003,538	1,944,164	2,044,006	1,811,398	1,762,832	2,098,337	1,583,532	-
<b>Total Liabilities</b>	<b>42,960,758</b>	<b>33,768,390</b>	<b>34,886,556</b>	<b>30,337,730</b>	<b>23,858,286</b>	<b>25,950,979</b>	<b>46,134,194</b>	<b>37,681,601</b>	<b>38,280,117</b>	<b>34,397,372</b>	<b>29,062,780</b>	<b>-</b>
Fund Equity:												
Policyholder	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	28,453,440	-
Providers	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	8,201,049	8,293,817	8,735,178	8,956,519	9,297,283	-
Insurers	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	7,132,235	7,831,716	8,100,864	8,926,384	9,118,459	-
<b>Total Retained Earnings</b>	<b>37,103,003</b>	<b>41,044,932</b>	<b>43,893,671</b>	<b>43,716,212</b>	<b>43,303,720</b>	<b>44,050,590</b>	<b>44,452,017</b>	<b>46,573,923</b>	<b>46,924,461</b>	<b>48,443,954</b>	<b>46,869,182</b>	<b>-</b>
<b>Total Liabilities and Fund Equity</b>	<b>80,063,761</b>	<b>74,813,322</b>	<b>78,780,227</b>	<b>74,053,942</b>	<b>67,162,006</b>	<b>70,001,569</b>	<b>90,586,211</b>	<b>84,255,524</b>	<b>85,204,578</b>	<b>82,841,326</b>	<b>75,931,962</b>	<b>-</b>

**Health Insurance Risk-Sharing Plan Authority  
for the Period Ended November 30, 2008  
Calendar Year 2008**

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

<b>Operating Revenues</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Year to Date</b>
Gross Premiums	8,531,568	8,724,789	8,663,222	7,706,807	7,912,144	7,901,563	7,649,246	7,879,264	7,869,417	7,634,157	7,832,557	-	88,304,734
Premium Subsidized	(580,275)	(577,024)	(582,048)	(561,321)	(565,254)	(571,686)	(575,604)	(581,106)	(582,727)	(583,911)	(577,852)	-	(6,338,808)
Net Premium Revenues	7,951,293	8,147,765	8,081,174	7,145,486	7,346,890	7,329,877	7,073,642	7,298,158	7,286,690	7,050,246	7,254,705	-	81,965,926
Provider Contribution	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	3,218,788	2,620,270	3,538,670	2,960,756	3,994,905	-	36,446,554
Insurer Assessments	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	2,995,409	3,226,983	3,366,457	3,564,935	3,846,216	-	35,264,346
<b>Total Operating Revenues</b>	<b>13,523,824</b>	<b>13,586,250</b>	<b>14,249,590</b>	<b>14,039,298</b>	<b>14,747,488</b>	<b>14,233,546</b>	<b>13,287,839</b>	<b>13,145,411</b>	<b>14,191,817</b>	<b>13,575,937</b>	<b>15,095,826</b>	-	<b>153,676,826</b>
<b>Operating Expenses</b>													
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	9,474,419	8,937,059	11,222,920	9,280,708	9,985,465	-	111,909,804
Increase (Decrease) in Unpaid Losses	(6,376,711)	(1,761,391)	(876,308)	(508,715)	(1,163,863)	1,394,970	256,334	(1,066,049)	(347,823)	(450,673)	3,242,391	-	(5,330,112)
Deductible Subsidy Paid	48,433	67,349	76,337	67,446	56,406	49,480	61,734	37,676	49,403	40,461	29,913	-	584,638
Total Medical Losses	8,341,645	6,544,549	8,156,798	11,029,625	11,880,417	10,457,358	9,792,487	7,908,686	10,924,500	8,870,496	13,257,769	-	107,164,330
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	2,858,192	2,710,935	2,802,559	3,046,683	2,499,484	-	32,215,816
Increase (Decrease) in Unpaid Losses	(266,155)	-	114,741	(92,852)	25,299	(21,028)	(62,940)	(4,148)	(58,330)	(103,508)	7,177,656	-	248,735
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	(232,899)	(91,251)	(297,239)	(244,096)	(285,026)	-	(2,788,771)
Subsidy - Coinsurance Out-of-Pocket Max	-	-	77,792	49,939	60,941	60,790	72,278	69,818	76,230	80,108	73,737	-	621,633
Total Pharmacy Losses	2,856,869	2,733,802	2,871,589	2,811,631	2,767,920	2,627,359	2,634,631	2,685,354	2,523,220	2,779,187	3,005,851	-	30,297,413
Total Losses	11,198,514	9,278,351	11,028,387	13,841,256	14,648,337	13,084,717	12,427,118	10,594,040	13,447,720	11,649,683	16,263,620	-	137,461,743
Loss adjustment expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses													
Authority Admin Fees	55,689	45,916	63,745	51,293	59,636	53,543	52,526	55,262	58,292	52,320	42,410	-	590,632
WPS Admin Fees	355,393	348,264	350,371	345,470	452,316	353,800	342,876	342,631	346,273	352,452	342,954	-	3,932,800
Navitus Admin Fees	93,885	92,686	92,219	90,041	83,597	83,637	89,953	89,892	89,683	88,211	89,359	-	983,163
Milliman USA Actuarial Services	22,000	6,096	(5,000)	4,038	19,459	10,910	69,500	30,000	(4,900)	17,436	4,370	-	178,319
Other Admin Fees	5,226	5,248	5,174	5,272	5,022	4,706	4,586	5,525	5,537	7,841	(649)	-	56,488
Total Administrative Expenses	532,193	498,210	506,509	496,114	620,030	506,596	559,441	526,310	499,295	518,260	478,444	-	5,741,402
Referral fees	5,145	4,760	4,900	4,515	4,690	4,970	5,355	5,285	3,290	3,115	2,975	-	49,000
Total Operating Expenses	11,735,852	9,781,321	11,539,796	14,341,885	15,273,057	13,596,283	12,991,914	11,125,635	13,950,305	12,171,058	16,745,039	-	143,252,145
<b>Net Operating Income (Loss)</b>	<b>1,787,972</b>	<b>3,804,929</b>	<b>2,709,794</b>	<b>(302,587)</b>	<b>(525,569)</b>	<b>637,263</b>	<b>295,925</b>	<b>2,019,776</b>	<b>241,512</b>	<b>1,404,879</b>	<b>(1,649,213)</b>	-	<b>10,424,681</b>
<b>Non-Operating Revenues (Expenses)</b>													
Federal Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Income	215,878	137,000	138,945	125,128	113,077	109,607	105,502	102,130	109,026	114,614	74,441	-	1,345,348
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	215,878	137,000	138,945	125,128	113,077	109,607	105,502	102,130	109,026	114,614	74,441	-	1,345,348
<b>Net Income (Loss)</b>	<b>2,003,850</b>	<b>3,941,929</b>	<b>2,848,739</b>	<b>(177,459)</b>	<b>(412,492)</b>	<b>746,870</b>	<b>401,427</b>	<b>2,121,906</b>	<b>350,538</b>	<b>1,519,493</b>	<b>(1,574,772)</b>	-	<b>11,770,029</b>
<b>Additions to Retained Earnings</b>													
<b>Policyholder</b>													
Retained Earnings, Beginning of Period	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	-	24,569,024
Current Earnings	1,648,643	2,978,605	1,915,188	(752,817)	(1,113,435)	(124,281)	(2,194)	1,329,657	(359,971)	472,632	(2,107,611)	-	3,884,416
Retained Earnings, End of Period	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	28,453,440	-	28,453,440
RBC Target Reserves	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	-	(10,107,074)
<b>Retained Earnings in Excess of RBC</b>	<b>16,110,593</b>	<b>19,089,198</b>	<b>21,004,386</b>	<b>20,251,569</b>	<b>19,138,134</b>	<b>19,013,853</b>	<b>19,011,659</b>	<b>20,341,316</b>	<b>19,981,345</b>	<b>20,453,977</b>	<b>18,346,366</b>	-	<b>18,346,366</b>
<b>Providers</b>													
Retained Earnings, Beginning of Period	4,763,374	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	8,201,049	8,293,817	8,735,178	8,956,519	-	4,763,374
Current Earnings	312,779	450,569	527,604	627,531	761,992	443,700	313,500	92,768	441,361	221,341	340,764	-	4,533,909
Retained Earnings, End of Period	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	8,201,049	8,293,817	8,735,178	8,956,519	9,297,283	-	9,297,283
RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	(3,369,025)
<b>Retained Earnings in Excess of RBC</b>	<b>1,707,128</b>	<b>2,157,697</b>	<b>2,685,301</b>	<b>3,312,832</b>	<b>4,074,824</b>	<b>4,518,524</b>	<b>4,832,024</b>	<b>4,924,792</b>	<b>5,366,153</b>	<b>5,587,494</b>	<b>5,928,258</b>	-	<b>5,928,258</b>
<b>Insurers</b>													
Retained Earnings, Beginning of Period	5,766,755	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	7,132,235	7,831,716	8,100,864	8,926,384	-	5,766,755
Current Earnings	42,428	512,755	405,947	(52,173)	(61,049)	427,451	90,121	699,481	269,148	825,520	192,075	-	3,351,704
Retained Earnings, End of Period	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	7,132,235	7,831,716	8,100,864	8,926,384	9,118,459	-	9,118,459
RBC Target Reserves	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	(3,369,025)	-	(3,369,025)
<b>Retained Earnings in Excess of RBC</b>	<b>2,440,158</b>	<b>2,952,913</b>	<b>3,358,860</b>	<b>3,306,687</b>	<b>3,245,638</b>	<b>3,673,089</b>	<b>3,763,210</b>	<b>4,462,691</b>	<b>4,731,839</b>	<b>5,557,359</b>	<b>5,749,434</b>	-	<b>5,749,434</b>
Retained Earnings, End of Period	37,103,003	41,044,932	43,893,671	43,716,212	43,303,720	44,050,590	44,452,017	46,573,923	46,924,461	48,443,954	46,869,182	-	46,869,182
RBC Target Reserves	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	(16,845,124)	-	(16,845,124)
<b>Retained Earnings in Excess of RBC</b>	<b>20,257,879</b>	<b>24,199,808</b>	<b>27,048,547</b>	<b>26,871,088</b>	<b>26,458,596</b>	<b>27,205,466</b>	<b>27,606,893</b>	<b>29,728,799</b>	<b>30,079,337</b>	<b>31,598,830</b>	<b>30,024,058</b>	-	<b>30,024,058</b>

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

**STATEMENT OF CASH FLOWS**

<b>Cash Flows from Operating Activities</b>	<b>Month of November 2008</b>	<b>YTD Through November 2008</b>
<b><u>Sources of Cash</u></b>		
Cash received for premiums	3,128,173	75,445,354
Cash received for assessments	2,802,403	38,483,668
Total Operating Sources	5,930,576	113,929,022
<b><u>Uses of Cash</u></b>		
Cash payments for Medical losses	(6,927,782)	(74,750,800)
Cash payments for Pharmacy losses	(2,623,687)	(29,783,862)
Cash payments for referral fees	(3,115)	(49,805)
Cash payments for other expenses	(563,056)	(5,813,046)
Total Operating Uses	(10,117,640)	(110,397,513)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(4,187,064)</b>	<b>3,531,509</b>

<b>Cash Flows from Non-Operating Activities</b>		
Cash received from investment income	92,241	1,493,930
Cash received from Federal Grant	-	-
Cash received for miscellaneous income	-	-
<b>Net Cash Provided/(Used) by Non-Operating Activities</b>	<b>92,241</b>	<b>1,493,930</b>

<b>Cash and Cash Equivalents</b>		
Net Increase (Decrease) in Cash Equivalents	(4,094,823)	5,025,439
Cash and cash equivalents, beginning of period	74,525,761	65,405,499
<b>Cash and Equivalents, End of Period</b>	<b>70,430,938</b>	<b>70,430,938</b>

**RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS**

Net income (loss) from operations	(1,649,213)	10,424,681
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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	2,795,809	(364,911)
Decrease (increase) in prepaids	931	4,025
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	(3,935,188)	3,947,452
Increase (decrease) in liability for unearned premiums	(4,145,850)	(6,484,269)
Increase (decrease) in liability for medical Loss liabilities	2,452,593	(3,683,910)
Increase (decrease) in liability for pharmacy loss liabilities	293,854	(311,559)
Other adjustments	-	-
Total adjustments	(2,537,851)	(6,893,172)
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>(4,187,064)</b>	<b>3,531,509</b>

**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**

<b>Operating Revenues</b>	<b>November 2008</b>	<b>October 2008</b>	<b>Variance</b>	<b>Year-to-Date Through November 2008</b>	<b>Year-to-Date Through November 2007</b>	<b>Variance</b>
Gross Premiums	7,832,557	7,634,157	198,400	88,304,734	97,016,088	(8,711,354)
Premium Subsidized	(577,852)	(583,911)	6,059	(6,338,808)	(4,456,820)	(1,881,988)
<b>Net Premium Revenues</b>	<b>7,254,705</b>	<b>7,050,246</b>	<b>204,459</b>	<b>81,965,926</b>	<b>92,559,268</b>	<b>(10,593,342)</b>
Provider Contribution	3,994,905	2,960,756	1,034,149	36,446,554	37,995,853	(1,549,299)
Insurer Assessments	3,846,216	3,564,935	281,281	35,264,346	30,739,573	4,524,773
<b>Total Operating Revenues</b>	<b>15,095,826</b>	<b>13,575,937</b>	<b>1,519,889</b>	<b>153,676,826</b>	<b>161,294,694</b>	<b>(7,617,868)</b>
<b>Operating Expenses</b>						
Medical Losses:						
Losses Paid or Approved for Payment	9,985,465	9,280,708	704,757	111,909,804	118,350,038	(6,440,234)
Increase (Decrease) in Unpaid Losses	3,242,391	(450,673)	3,693,064	(5,330,112)	(1,134,688)	(4,195,424)
Deductible Subsidy Paid	29,913	40,461	(10,548)	584,638	588,834	(4,196)
<b>Total Medical Losses</b>	<b>13,257,769</b>	<b>8,870,496</b>	<b>4,387,273</b>	<b>107,164,330</b>	<b>117,804,184</b>	<b>(10,639,854)</b>
Pharmacy Losses:						
Losses Paid or Approved for Payment	2,499,484	3,046,683	(547,199)	32,215,816	38,327,939	(6,112,123)
Increase (Decrease) in Unpaid Losses	717,656	(103,508)	821,164	248,735	(82,586)	331,321
Drug Rebates	(285,026)	(244,096)	(40,930)	(2,788,771)	(4,485,540)	1,696,769
Subsidy - Coinsurance Out-of-Pocket Max	73,737	80,108	(6,371)	621,633	262,570	359,063
<b>Total Pharmacy Losses</b>	<b>3,005,851</b>	<b>2,779,187</b>	<b>226,664</b>	<b>30,297,413</b>	<b>34,022,383</b>	<b>(3,724,970)</b>
<b>Total Losses</b>	<b>16,263,620</b>	<b>11,649,683</b>	<b>4,613,937</b>	<b>137,461,743</b>	<b>151,826,567</b>	<b>(14,364,824)</b>
Loss adjustment expenses	-	-	-	-	-	-
Administrative expenses						
Authority Admin Fees	42,410	52,320	(9,910)	590,632	546,823	43,809
WPS Admin Fees	342,954	352,452	(9,498)	3,932,800	4,017,214	(84,414)
Navitus Admin Fees	89,359	88,211	1,148	983,163	1,066,227	(83,064)
Milliman USA Actuarial Services	4,370	17,436	(13,066)	178,319	161,812	16,507
Other Admin Fees And Expenses	(649)	7,841	(8,490)	56,488	67,179	(10,691)
<b>Total Administrative Expenses</b>	<b>478,444</b>	<b>518,260</b>	<b>(39,816)</b>	<b>5,741,402</b>	<b>5,859,255</b>	<b>(117,853)</b>
Referral fees	2,975	3,115	(140)	49,000	51,660	(2,660)
<b>Total Operating Expenses</b>	<b>16,745,039</b>	<b>12,171,058</b>	<b>4,573,981</b>	<b>143,252,145</b>	<b>157,737,482</b>	<b>(14,485,337)</b>
<b>Net Operating Income (Loss)</b>	<b>(1,649,213)</b>	<b>1,404,879</b>	<b>(3,054,092)</b>	<b>10,424,681</b>	<b>3,557,212</b>	<b>6,867,469</b>
<b>Non-Operating Revenues (Expenses)</b>						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	2,089,225	(2,089,225)
Investment Income	74,441	114,614	(40,173)	1,345,348	3,003,658	(1,658,310)
Miscellaneous Income	-	-	-	-	-	-
<b>Total Non-operating Revenues (Expenses)</b>	<b>74,441</b>	<b>114,614</b>	<b>(40,173)</b>	<b>1,345,348</b>	<b>5,092,883</b>	<b>(3,747,535)</b>
<b>Net Income (Loss)</b>	<b>(1,574,772)</b>	<b>1,519,493</b>	<b>(3,094,265)</b>	<b>11,770,029</b>	<b>8,650,095</b>	<b>3,119,934</b>

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

	November 2008 Budget	November 2008 Actual	Variance	Year-to-Date Through November 2008 Budget	Year-to-Date Through November 2008 Actual	Variance
<b>Operating Revenues</b>						
Gross Premiums	8,076,347	7,832,557	(243,790)	90,616,852	88,304,734	(2,312,118)
Premium Subsidized	(762,428)	(577,852)	184,576	(8,714,569)	(6,338,808)	2,375,761
Net Premium Revenues	7,313,919	7,254,705	(59,214)	81,902,283	81,965,926	63,643
Provider Contribution	3,674,709	3,994,905	320,196	36,530,766	36,446,554	(84,212)
Insurer Assessments	3,846,216	3,846,216	-	35,264,346	35,264,346	-
<b>Total Operating Revenues</b>	<b>14,834,844</b>	<b>15,095,826</b>	<b>260,982</b>	<b>153,697,395</b>	<b>153,676,826</b>	<b>(20,569)</b>
<b>Operating Expenses</b>						
Medical and Pharmacy Losses:	17,887,186	16,159,970	1,727,216	160,287,560	136,255,472	24,032,088
Deductible Subsidy/RX OOP Max	39,194	103,650	(64,456)	616,508	1,206,271	(589,763)
Total Medical and Pharmacy Losses	17,926,380	16,263,620	1,662,760	160,904,068	137,461,743	23,442,325
Loss adjustment expenses	-	-	-	-	-	-
Total Administrative Expenses	540,537	478,444	62,093	5,943,336	5,741,402	201,934
Referral fees	4,220	2,975	1,245	49,369	49,000	369
Total Operating Expenses	18,471,137	16,745,039	1,726,098	166,896,773	143,252,145	23,644,628
<b>Net Operating Income (Loss)</b>	<b>(3,636,293)</b>	<b>(1,649,213)</b>	<b>1,987,080</b>	<b>(13,199,378)</b>	<b>10,424,681</b>	<b>23,624,059</b>
<b>Non-Operating Revenues (Expenses)</b>						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	193,935	74,441	(119,494)	2,394,507	1,345,348	(1,049,159)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	193,935	74,441	(119,494)	2,394,507	1,345,348	(1,049,159)
<b>Net Income (Loss)</b>	<b>(3,442,358)</b>	<b>(1,574,772)</b>	<b>1,867,586</b>	<b>(10,804,871)</b>	<b>11,770,029</b>	<b>22,574,900</b>

**Health Insurance Risk-Sharing Plan Authority**  
**Calendar Year 2008 Interim Reconciliation**  
**As of November 30, 2008**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
<b>1. Operating and Administrative Costs under s.149.143(1)</b>													
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	9,474,419	8,937,059	11,222,920	9,280,708	9,985,465	-	111,909,804
Increase (Decrease) in Unpaid Medical Losses	(6,376,711)	(1,761,391)	(876,308)	(508,715)	1,163,863	1,394,970	256,334	(1,066,049)	(347,823)	(450,673)	3,242,391	-	(5,330,112)
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	2,858,192	2,710,935	2,802,559	3,046,683	2,499,484	-	32,215,816
Increase (Decrease) in Unpaid Pharmacy Losses	(266,155)	-	114,741	(92,852)	25,299	(21,028)	(62,940)	(4,148)	(58,330)	(103,508)	717,656	-	248,735
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	(232,899)	(91,251)	(297,239)	(244,096)	(285,026)	-	(2,788,771)
Total Administrative Expenses	537,338	502,970	511,409	500,629	624,720	511,566	564,796	531,595	502,585	521,375	481,419	-	5,790,402
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating and Administrative Costs	11,687,419	9,713,972	11,385,667	14,224,500	15,155,710	13,486,013	12,857,902	11,018,141	13,824,672	12,050,489	16,641,389	-	142,045,874
<b>2. Adjustments to Operating and Administrative Costs</b>													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	215,878	137,000	138,945	125,128	113,077	109,607	105,502	102,130	109,026	114,614	74,441	-	1,345,348
<b>3. Total Fiscal Year Program Costs to be Split 60% 20% 20%</b>	11,471,541	9,576,972	11,246,722	14,099,372	15,042,633	13,376,406	12,752,400	10,916,011	13,715,646	11,935,875	16,566,948	-	140,700,526
<b>4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)</b>													
Funding Shares													
60% Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	7,651,440	6,549,607	8,229,388	7,161,525	9,940,168	-	84,420,318
20% Providers	2,294,308	1,915,394	2,249,344	2,819,874	3,008,527	2,675,281	2,550,480	2,183,202	2,743,129	2,387,175	3,313,390	-	28,140,104
20% Insurers	2,294,308	1,915,394	2,249,344	2,819,874	3,008,527	2,675,281	2,550,480	2,183,202	2,743,129	2,387,175	3,313,390	-	28,140,104
<b>5. Subsidy Funding Shares</b>													
Premium subsidies	580,275	577,024	582,048	561,321	565,254	571,686	575,604	581,106	582,727	583,911	577,852	-	6,338,808
Deductible Subsidies	48,433	67,349	76,337	67,446	56,406	49,480	61,734	37,676	49,403	40,461	29,913	-	584,638
Subsidy - coinsurance out-of-pocket Max	-	-	77,792	49,939	60,941	60,790	72,278	69,818	76,230	80,108	73,737	-	621,633
Total Subsidies	628,708	644,373	736,177	678,706	682,601	681,956	709,616	688,600	708,360	704,480	681,502	-	7,545,079
Federal Grant Funds Applied to Low Income Subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Subsidy Funding Needed	628,708	644,373	736,177	678,706	682,601	681,956	709,616	688,600	708,360	704,480	681,502	-	7,545,079
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	354,808	344,300	354,180	352,240	340,751	-	3,772,541
Insurers	314,354	322,186	368,088	339,353	341,300	340,978	354,808	344,300	354,180	352,240	340,751	-	3,772,538
	628,708	644,373	736,177	678,706	682,601	681,956	709,616	688,600	708,360	704,480	681,502	-	7,545,079
<b>6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)</b>													
Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	7,651,440	6,549,607	8,229,388	7,161,525	9,940,168	-	84,420,318
Providers	2,608,662	2,237,581	2,617,433	3,159,227	3,349,828	3,016,259	2,905,288	2,527,502	3,097,309	2,739,415	3,654,141	-	31,912,645
Insurers	2,608,662	2,237,580	2,617,432	3,159,227	3,349,827	3,016,259	2,905,288	2,527,502	3,097,309	2,739,415	3,654,141	-	31,912,642
<b>7. Operating Revenues by Source</b>													
Policyholders													
Premium	7,951,293	8,147,765	8,081,174	7,145,486	7,346,890	7,329,877	7,073,642	7,298,158	7,286,690	7,050,246	7,254,705	-	81,965,926
Premium and Deductible Subsidies Credited to Policyholders	580,275	577,024	582,048	561,321	565,254	571,686	575,604	581,106	582,727	583,911	577,852	-	6,338,808
Subtotal	8,531,568	8,724,789	8,663,222	7,706,807	7,912,144	7,901,563	7,649,246	7,879,264	7,869,417	7,634,157	7,832,557	-	88,304,734
Providers	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	3,218,788	2,620,270	3,538,670	2,960,756	3,994,905	-	36,446,554
Insurers	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	2,995,409	3,226,983	3,366,457	3,564,935	3,846,216	-	35,264,346
Total	14,104,099	14,163,274	14,831,638	14,600,619	15,312,742	14,805,232	13,863,443	13,726,517	14,774,544	14,159,848	15,673,678	-	160,015,634

(cont)

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

## Policyholders

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Prior Period Surplus / (Deficit)	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	-	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	7,649,246	7,879,264	7,869,417	7,634,157	7,832,557	-	88,304,734
Less Cost	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	7,651,440	6,549,607	8,229,388	7,161,525	9,940,168	-	84,420,318
Monthly Change	1,648,643	2,978,605	1,915,188	(752,817)	(1,113,435)	(124,281)	(2,194)	1,329,657	(359,971)	472,632	(2,107,611)	-	3,884,416
Ending Surplus / (Deficit)	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	28,453,440	-	28,453,440
Policyholders's RBC Target Reserves	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(10,107,074)	(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	19,011,659	20,341,316	19,981,345	20,453,977	18,346,366	-	18,346,366

## Providers

Prior Period Surplus / (Deficit)	4,763,374	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	8,201,049	8,293,817	8,735,178	8,956,519	-	4,763,374
Contribution	2,921,441	2,688,150	3,145,037	3,786,758	4,111,820	3,459,959	3,218,788	2,620,270	3,538,670	2,960,756	3,994,905	-	36,446,554
Less Cost	2,608,662	2,237,581	2,617,433	3,159,227	3,349,828	3,016,259	2,905,288	2,527,502	3,097,309	2,739,415	3,654,141	-	31,912,645
Monthly Change	312,779	450,569	527,604	627,531	761,992	443,700	313,500	92,768	441,361	221,341	340,764	-	4,533,909
Ending Surplus / (Deficit)	5,076,153	5,526,722	6,054,326	6,681,857	7,443,849	7,887,549	8,201,049	8,293,817	8,735,178	8,956,519	9,297,283	-	9,297,283
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)	(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	4,832,024	4,924,792	5,366,153	5,587,494	5,928,258	-	5,928,258

## Insurers

Prior Period Surplus / (Deficit)	5,766,755	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	7,132,235	7,831,716	8,100,864	8,926,384	-	5,766,755
Assessment	2,651,090	2,750,335	3,023,379	3,107,054	3,288,778	3,443,710	2,995,409	3,226,983	3,366,457	3,564,935	3,846,216	-	35,264,346
Less Cost	2,608,662	2,237,580	2,617,432	3,159,227	3,349,827	3,016,259	2,905,288	2,527,502	3,097,309	2,739,415	3,654,141	-	31,912,642
Monthly Change	42,428	512,755	405,947	(52,173)	(61,049)	427,451	90,121	699,481	269,148	825,520	192,075	-	3,351,704
Ending Surplus / (Deficit)	5,809,183	6,321,938	6,727,885	6,675,712	6,614,663	7,042,114	7,132,235	7,831,716	8,100,864	8,926,384	9,118,459	-	9,118,459
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)	(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	3,763,210	4,462,691	4,731,839	5,557,359	5,749,434	-	5,749,434

Total HIRSP Retained Earnings	37,103,003	41,044,932	43,893,671	43,716,212	43,303,720	44,050,590	44,452,017	46,573,923	46,924,461	48,443,954	46,869,182	-	46,869,182
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)	(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	27,606,893	29,728,799	30,079,337	31,598,830	30,024,058	-	30,024,058

**Health Insurance Risk-Sharing Plan Authority  
Monthly Provider Contribution Report  
As of November 2008 Month End (11/24/2008)**

<b>Provider Contribution Calculation for the Current Month - Claims by Claim Type</b>						
Claims Incurred 1/1/2008 and After						
Claim Type	Billed Charges		HIRSP Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ 6,968,293.74		\$ 4,018,957.20	\$ 2,867,482.77	\$ 1,151,474.43	\$ 2,086,643.19
Hospital Outpatient	\$ 4,135,317.91		\$ 2,949,975.46	\$ 2,101,473.52	\$ 848,501.94	\$ 1,732,205.17
Hospital Inpatient	\$ 3,997,549.92		\$ 3,427,301.78	\$ 2,439,484.04	\$ 987,817.74	\$ 2,381,547.52
Nursing Home	\$ 28,007.65		\$ 26,840.56	\$ 19,085.98	\$ 7,754.58	\$ 16,606.08
Other	\$ 742,098.76		\$ 550,797.04	\$ 400,792.10	\$ 150,004.94	\$ 303,870.12
<b>Total</b>	<b>\$ 15,871,267.98</b>		<b>\$ 10,973,872.04</b>	<b>\$ 7,828,318.41</b>	<b>\$ 3,145,553.63</b>	<b>\$ 6,520,872.08</b>

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ (20,407.97)	28.5%	\$ (14,591.70)	\$ (16,421.82)	\$ 1,830.12	\$ (17,367.86)
Hospital Outpatient	\$ (10,203.85)	28.5%	\$ (7,295.75)	\$ (5,236.63)	\$ (2,059.12)	\$ (5,926.12)
Hospital Inpatient	\$ 251.72	28.5%	\$ 179.98	\$ (6,110.94)	\$ 6,290.92	\$ (6,069.57)
Nursing Home	\$ (21,977.42)	28.5%	\$ (15,713.86)	\$ (26,896.82)	\$ 11,182.96	\$ (26,725.82)
Other	\$ 7,725.05	28.5%	\$ 5,523.41	\$ (13,021.97)	\$ 18,545.38	\$ (13,351.55)
<b>Total</b>	<b>\$ (44,612.47)</b>		<b>\$ (31,897.92)</b>	<b>\$ (67,688.18)</b>	<b>\$ 35,790.26</b>	<b>\$ (69,440.92)</b>

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ 813,561.00
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<b>Total Provider Contribution</b>	<b>\$ 3,994,904.89</b>
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\* Note: Medicare supplement is excluded from this report.

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

<b>1Q07</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$19,263,814	\$10,353,629	186.1%	\$1,000.46	\$537.71
\$2,500	17,195,028	15,315,916	112.3%	545.96	486.30
Medicare Supplement	1,750,315	1,258,329	139.1%	604.60	434.66
<b>Total</b>	<b>\$38,209,157</b>	<b>\$26,927,874</b>	<b>141.9%</b>	<b>\$712.26</b>	<b>\$501.96</b>
<b>2Q07</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$20,876,295	\$10,280,888	203.1%	\$1,102.47	\$542.93
\$2,500	20,712,703	15,315,146	135.2%	663.91	490.90
Medicare Supplement	1,736,366	1,256,896	138.1%	612.26	443.19
<b>Total</b>	<b>\$43,325,364</b>	<b>\$26,852,930</b>	<b>161.3%</b>	<b>\$817.92</b>	<b>\$506.95</b>
<b>3Q07</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$21,039,262	\$10,685,401	196.9%	\$1,147.87	\$582.98
\$2,500	19,234,406	14,423,771	133.4%	623.74	467.74
Medicare Supplement	1,480,519	987,774	149.9%	528.38	352.52
<b>Total</b>	<b>\$41,754,187</b>	<b>\$26,096,946</b>	<b>160.0%</b>	<b>\$803.46</b>	<b>\$502.17</b>
<b>4Q07</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$22,987,274	\$10,369,954	221.7%	\$1,295.93	\$584.62
\$2,500	24,449,037	14,425,926	169.5%	792.10	467.37
Medicare Supplement	1,366,388	993,617	137.5%	490.80	356.90
<b>Total</b>	<b>\$48,802,700</b>	<b>\$25,789,496</b>	<b>189.2%</b>	<b>\$949.69</b>	<b>\$501.86</b>
<b>1Q08</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$15,349,540	\$8,912,951	172.2%	\$1,136.25	\$659.78
\$2,500	17,561,240	13,682,977	128.3%	630.97	491.63
\$3,500 HSA	58,276	239,700	24.3%	105.00	431.89
\$5,000	1,868,442	2,067,147	90.4%	344.99	381.67
Medicare Supplement	Plan 2 not available due to pharmacy claims error				
<b>Total*</b>	<b>\$34,837,497</b>	<b>\$24,902,775</b>	<b>139.9%</b>	<b>\$736.34</b>	<b>\$526.35</b>
<b>2Q08</b>					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$15,026,449	\$8,129,129	184.8%	\$1,211.42	\$655.36
\$2,500	19,033,950	12,031,373	158.2%	707.74	447.36
\$3,500 HSA	214,781	311,443	69.0%	265.49	384.97
\$5,000	1,818,837	2,042,935	89.0%	311.98	350.42
Medicare Supplement	1,637,374	1,005,634	162.8%	571.91	351.25
<b>Total</b>	<b>\$37,731,392</b>	<b>\$23,520,514</b>	<b>160.4%</b>	<b>\$773.18</b>	<b>\$481.98</b>

\* 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

Administrative Expenses are not included in this exhibit

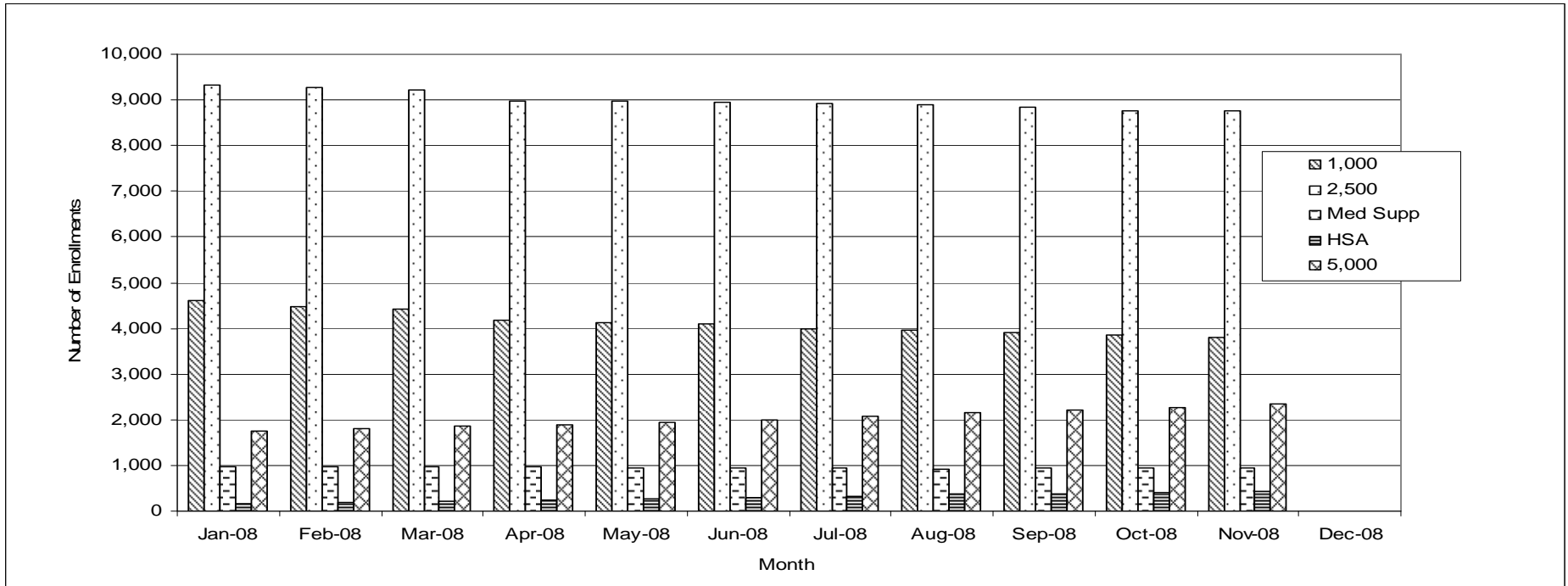
Incurred Claims and Earned Premiums are updated quarterly and restated to reflect the most current information available as of September 30, 2008

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

November 2008  
**16,247**

November 2007  
**17,162**

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	4,597	4,485	4,423	4,172	4,130	4,087	3,979	3,950	3,910	3,841	3,795	
2,500	9,337	9,284	9,206	8,970	8,969	8,951	8,909	8,891	8,843	8,773	8,750	
Med Supp	962	968	967	958	954	953	947	910	946	945	939	
HSA	161	181	213	241	268	301	331	368	381	407	430	
5,000	1,749	1,810	1,854	1,884	1,944	1,994	2,074	2,151	2,201	2,261	2,333	
<b>Total</b>	<b>16,806</b>	<b>16,728</b>	<b>16,663</b>	<b>16,225</b>	<b>16,265</b>	<b>16,286</b>	<b>16,240</b>	<b>16,270</b>	<b>16,281</b>	<b>16,227</b>	<b>16,247</b>	



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

<b>Total Subsidy by Plan</b>			
<b>Plan</b>		<b>Number of Policyholders</b>	<b>% of Total</b>
HIRSP 1,000	Non-subsidized	2,206	13.6%
	Subsidized	1,589	9.8%
	<b>Total</b>	<b>3,795</b>	<b>23.4%</b>
HIRSP 2,500	Non-subsidized	8,012	49.3%
	Subsidized	738	4.5%
	<b>Total</b>	<b>8,750</b>	<b>53.9%</b>
HIRSP Medicare Supplement	Non-subsidized	551	3.4%
	Subsidized	388	2.4%
	<b>Total</b>	<b>939</b>	<b>5.8%</b>
HIRSP Health Savings Account	Non-subsidized	403	2.5%
	Subsidized	27	0.2%
	<b>Total</b>	<b>430</b>	<b>2.6%</b>
HIRSP 5,000	Non-subsidized	2,033	12.5%
	Subsidized	300	1.8%
	<b>Total</b>	<b>2,333</b>	<b>14.4%</b>
<b>Non-subsidized Total</b>		<b>13,205</b>	<b>81.3%</b>
<b>Subsidized Total</b>		<b>3,042</b>	<b>18.7%</b>
<b>Grand Total</b>		<b>16,247</b>	<b>100.0%</b>

<b>Total Subsidy by Level</b>		
<b>Subsidy Level</b>	<b>Number of Policyholders</b>	<b>% of Total</b>
\$25,000 Above	13,205	81.3%
\$20,000 - \$24,999	358	2.2%
\$17,000 - \$19,999	390	2.4%
\$14,000 - \$16,999	508	3.1%
\$10,000 - \$13,999	1,320	8.1%
\$9,999 Under	466	2.9%
<b>Total</b>	<b>16,247</b>	<b>100.0%</b>

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

<b>Summary of Monthly Application Activity</b>	
Number of Applications Pending October	160
Number of Applications Received November	347
Number of Applications Rejected November	19
Number of Applications Closed November	73
Number of Applications Pending November	155
Number of Applications Approved November	260

<b>Detail of Applications Rejected</b>	
65 or older	0
Current Medicaid Coverage	0
Currently covered by other insurance	0
Did not qualify for lost employer coverage.	5
Eligible for Group Health Coverage	14
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
<b>Total</b>	<b>19</b>

<b>Detail of Applications Closed</b>	
Applicant Request	5
Application Data requested; never received	3
Proper eligibility requested; never received	65
<b>Total</b>	<b>73</b>

<b>Applications Approved*</b>						
<b>Date</b>	<b>1,000</b>	<b>2,500</b>	<b>Med Supp</b>	<b>3,500</b>	<b>5,000</b>	<b>Total</b>
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	41	180	0	38	116	375
August	30	96	1	27	76	230
September	25	126	5	31	111	298
October	19	154	0	24	84	281
November	25	126	4	32	75	262
December						
<b>Total</b>	<b>392</b>	<b>1620</b>	<b>19</b>	<b>331</b>	<b>1011</b>	<b>3373</b>

<b>Disenrollment</b>						
<b>Date</b>	<b>1,000</b>	<b>2,500</b>	<b>Med Supp</b>	<b>3,500</b>	<b>5,000</b>	<b>Total</b>
January	313	355	28	0	2	698
February	165	230	6	6	29	436
March	93	205	7	0	35	340
April	299	397	24	5	66	791
May	69	164	17	3	29	282
June	72	161	7	0	35	275
July	122	205	11	3	32	373
August	79	162	7	3	23	274
September	64	168	9	8	37	286
October	92	188	13	5	41	339
November	55	151	6	4	26	242
December						
<b>Total</b>	<b>1423</b>	<b>2386</b>	<b>135</b>	<b>37</b>	<b>355</b>	<b>4336</b>

\* Month application was approved, not the effective date.

# Health Insurance Risk-Sharing Plan Authority

## Monthly Eligibility Report November, 2008

A.	Medicare Eligible	4
B.	HIV +	3
C.	Eligible Individual	147
D.	Letter of Medical Eligibility	105
	1. <i>Letter of Rejection By:</i>	
	<i>American Family</i>	10
	<i>American Republic</i>	2
	<i>Assurant Health</i>	14
	<i>Blue Cross &amp; Blue Shield United of Wisconsin</i>	43
	<i>Celtic Life Insurance Company</i>	2
	<i>Central Reserve Life Insurance</i>	1
	<i>Consumer Life Insurance Company</i>	2
	<i>Dean Health Plan</i>	8
	<i>Golden Rule Insurance Company</i>	18
	<i>Great West Healthcare</i>	1
	<i>Humana Insurance Company</i>	33
	<i>John Alden Life Insurance</i>	1
	<i>Mega Life and Health Insurance</i>	9
	<i>Pekin Life Insurance</i>	3
	<i>Physicians Mutual Insurance Company</i>	1
	<i>Security Health Plan</i>	10
	<i>Trustmark</i>	2
	<i>Unity Health Plan</i>	2
	<i>Valley Health Plan</i>	1
	<i>Wisconsin Physicians Service Insurance</i>	44
	2. <i>Notice of Benefit Reduction</i>	0
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		260

**Health Insurance Risk-Sharing Plan Authority  
Medical Claims Denied Report  
AS OF NOVEMBER 2008 MONTH END (11/24/2008)**

Processed Month	All Plans			Denial Rate
	Paid	Denied	Total	
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%
JULY 2008	29,866	6,290	36,156	17.4%
AUGUST 2008	24,090	4,573	28,663	16.0%
SEPTEMBER 2008	30,492	6,015	36,507	16.5%
OCTOBER 2008	27,184	4,861	32,045	15.2%
NOVEMBER 2008	27,883	5,103	32,986	15.5%

Denial Reason Detail		
Volume	% of Total	Reason
982	2.98%	DUPLICATE CLAIM/SERVICE.
502	1.52%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
441	1.34%	EXPENSE(S) INCURRED AFTER COVERAGE TERMINATED. SERVICES PROVIDED AFTER THE TERMINATION DATE, NON-COVERED
416	1.26%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
330	1.00%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
306	0.93%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.
189	0.57%	WE NEED THE MEDICARE EXPLANATION OF BENEFITS TO PROCESS THIS CHARGE.
131	0.40%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
129	0.39%	THIS PROCEDURE IS INCIDENTAL TO AND CONSIDERED PART OF THE PRIMARY PROCEDURE.
128	0.39%	PLEASE RESUBMIT THIS CLAIM TO MEDICARE WITH THE INFORMATION THEY REQUESTED. WHEN MEDICARE HAS DETERMINED THEIR BENEFITS, SEND THE EXPLANATION OF MEDICARE BENEFITS TO US FOR PROCESSING.

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 November 2008 Month End (11/30/2008)**

<b>Processed Month</b>	<b>Denied</b>	<b>% of Total</b>
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%
July 2008	7,745	11.15%
August 2008	6,141	9.39%
September 2008	5,637	7.20%
October 2008	4,771	6.09%
November 2008	4,129	6.06%

<b>Denial Reason Detail</b>		
<b>Reason</b>	<b>Volume</b>	<b>% of Total</b>
Refill Too Soon	1,377	2.02%
Product/Service Not Covered	750	1.10%
Plan Limitations Exceeded	659	0.97%
Submit Bill to Other Processor or Primary Payer	491	0.72%
Missing/Invalid Dispense as Written Code (DAW)	201	0.29%
DUR Reject Error	184	0.27%
Patient is Not Covered	127	0.19%
Prior Authorization Required	81	0.12%
Duplicate Paid/Captured Claim	61	0.09%
Claim Too Old	56	0.08%

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  
November 2008**

**Grievance**

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	4
	Enrollment/Eligibility Requirements	22
	Not Covered Benefit	8
	Not Medically Necessary	4
	Plan Administration	6
	Prior Authorization	2
	Experimental Treatment	3
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Eligibility Request Closed Prior to Committee	2
	Approved	34
	Upheld Denial	11
	Partial Approval	2
<b>Total Grievances Received</b>		<b>49</b>

**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	0
	Billing/Claim Processing	1
<u>Appeal Committee Decision</u>		
	Eligibility Requests Closed Prior to Committee	1
	Approved	0
	Upheld Denial	0
	Upheld Denial with IRO Rights	0
<b>Total Appeals Received</b>		<b>1</b>