



Financial and Policyholder Activity Report

December 2007

RESTATED FINANCIAL STATEMENTS

HIRSP Authority calendar year 2007 financial reports as of December 31, 2007 were restated on February 18, 2008 to reflect updated financial information. The previously published 2007 monthly financial statements for November 2007 and prior months have not been restated. Please refer to the published December 2007 Financial and Policyholder Activity Report for restated calendar year 2007 monthly and annual financial report data.

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
DECEMBER 2007 MONTHLY REPORT
TABLE OF CONTENTS**

FINANCIAL REPORTS

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

POLICYHOLDER ACTIVITY REPORTS

ENROLLMENT ACTIVITY	11
TOTAL SUBSIDY/NON-SUBSIDY	12
APPLICANT ACTIVITY	13
APPLICANT ELIGIBILITY DETERMINATION	14
CLAIMS DENIED REPORT	15
PBM CLAIMS DENIED REPORT	16
APPEALS AND GRIEVANCE SUMMARY	17

Summary Review
Un-audited HIRSP Authority Financial Statements
For the Twelve-Month Period Ended December 31, 2007

ASSETS

HIRSP Authority total assets increased to \$68.1 million in December 2007, increasing during the month by \$2.8 million or 4.3%. Cash assets increased \$2.8 million during the month to \$65.4 million as of December 31, 2007. The December 2007 net increase in total assets was primarily due to the \$2.8 million increase in cash.

Total assets in December 2007 decreased by \$13.5 million compared to December 2006 total assets, a decrease of 16.6%. Cash assets year-to-date in 2007 increased by \$8.3 million relative to December 2006 cash, a 14.5% increase. The \$8.3 million increase in cash was offset by a \$17.7 million decrease in assessment receivables compared to December 2006. Current-period assessment receivables equal zero, and are less than 2006 year-to-date because December 2007 assessment receivables pertain solely to the last six months of calendar 2007 and were fully collected as of December 31, 2007, whereas December 2006 assessment receivables were for the period ending June 2007.

LIABILITIES

HIRSP Authority total liabilities increased to \$33.0 million in December 2007, increasing during the month by \$4.7 million or 16.5%. Unpaid medical loss liabilities increased by \$1.9 million or 13.6% in December, to \$15.6 million. Unpaid drug loss liabilities increased by \$129,275 to \$841,155. Unearned premium liability increased by \$5.5 million or 67.2% in December, which is typical of the HIRSP premium cycle for the last month of a calendar quarter. The December 2007 increases in unpaid losses and unearned premium liabilities were partially offset by decreased unearned assessment liability, which decreased \$2.8 million in December as all remaining second-half 2007 assessment receipts were recognized as earned income during the month.

Total liabilities in December 2007 decreased by \$20.2 million relative to total liabilities in December 2006, decreasing 37.9% from the prior year. December 2007 aggregate liabilities for unpaid medical and drug claims were \$16.5 million, increasing \$948,921 or 6.1% compared to year-end 2006 aggregate claim liabilities. Liability account increases in December 2007 were offset by a \$19.2 million decrease in unearned assessment liability in December 2007 compared to December 2006. Unearned assessment liability in December 2007 was zero 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 twelve months ended December 31, 2007 was \$6.8 million, decreased by \$8.6 million or 55.9% relative to 2006 year-to-date net income of \$15.3 million. Calendar year 2007 changes in income and expense include decreased premium revenues, increased total medical losses, decreased total pharmacy losses, decreased administrative expenses, and increased non-operating revenues.

Net premium revenues of \$100.8 million in calendar year 2007 decreased by nearly \$4.6 million compared to 2006, primarily due to decreased HIRSP membership and due to enrollment changes in HIRSP benefit plans. There were 17,126 HIRSP contracts in force as of December 31, 2007 compared to 18,073 contracts as of December 2006, the current number of contracts having decreased from the prior year by 947. December 2007 year-to-date total operating revenue of \$176.7 million decreased from 2006 year-to-date by \$5.3 million or 2.9%.

Total medical losses for the twelve months ended December 31, 2007 were \$131.5 million, increased by \$7.9 million or 6.4% from the twelve months ended December 31, 2006. Total pharmacy losses for the corresponding period in 2007 were \$37.3 million, reflecting a 2007 decrease of \$3.9 million or 9.5% from 2006 calendar year pharmacy losses. Aggregate medical and pharmacy losses for the twelve months of 2007 were \$168.8 million, increased by \$4.0 million or 2.4% compared to aggregate medical and pharmacy losses of \$164.8 million for the twelve months of 2006.

Total administrative expenses and referral fees in 2007 decreased by 3.2% compared to 2006, decreasing from \$6.7 million in 2006 to \$6.5 million in 2007. WPS administrative expenses decreased by

\$304,393 or 6.5% to \$4.4 million, primarily due to declining HIRSP contract counts as well as scope-of-work differences between the two years. Calendar year 2007 pharmacy administration fees decreased by \$91,675 or 7.3% to \$1.2 million compared to calendar year 2006.

Investment income for the twelve months of 2007 was \$3.2 million, increased by \$635,638 or 24.5% 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 were no remaining unearned fiscal year 2007 Federal grant funds available in the second half of 2007. Total non-operating revenues in calendar year 2007 of \$5.3 million were \$391,112 or 7.9% greater than total non-operating revenues 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 December 31, 2007, actual total revenues of \$88.3 million were under budget by \$1,651,603. The variance in total revenues included a \$1.5 million shortfall in net premium revenues, a \$224,168 shortfall in provider contributions, and a \$57,276 excess in investment income. Through December 2007, actual medical and pharmacy losses of \$92.0 million were under budget by \$5.4 million, and administrative expenses of \$3.2 million were under budget by \$114,401. The budget shortfall in total health care losses and expenses exceeded the budget shortfall in total revenues by \$3.9 million, and resulted in second-half 2007 actual net operating loss being lower than the budgeted net operating loss. The second-half 2007 actual net loss through December 2007 was \$6.9 million, whereas the second-half 2007 budget projected a net loss of \$10.8 million.

RETAINED EQUITY

HIRSP Authority total equity decreased by \$1.9 million during December 2007 and equaled \$35.0 million as of December 31, 2007. The December decrease in total equity resulted from December 2007 net operating loss of \$2.1 million partially offset by December investment income revenue of \$224,922, which resulted in a net loss for the month of \$1,881,919.

In December 2007, policyholders' equity decreased by \$1,671,292 and equaled \$24.6 million; providers' equity increased by \$623,267 and equaled \$4.8 million; and insurers' equity decreased by \$834,359 and equaled \$5.8 million. In calendar year 2007 through December 31, 2007, HIRSP Authority total retained equity of \$35.0 million increased by \$6.6 million from the 2006 year-end total equity of \$28.5 million. The increase in retained equity through December 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
December 31, 2007
Calendar Year 2007

Unaudited Balance Sheet

Assets	01/31/2007	02/28/2007	03/31/2007	04/30/2007	05/31/2007	06/30/2007	07/31/2007	08/31/2007	09/30/2007	10/31/2007	11/30/2007	12/31/2007
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	69,113,908	62,567,758	65,405,499
Other Receivables	794,950	828,232	1,108,277	790,958	741,337	963,179	621,017	659,383	1,099,039	699,917	752,242	667,657
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	2,178,842	1,951,605	2,012,513
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	1,439,896	-	-
Prepaid Items	22,299	21,472	21,370	21,847	25,569	21,138	26,859	26,754	21,393	22,145	25,684	18,092
Net Fixed Assets	16,216	34,041	33,548	33,054	32,560	32,067	31,604	31,141	30,678	30,215	29,752	29,288
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	73,484,923	65,327,041	68,133,049
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	13,026,237	13,754,956	15,627,420
Unpaid Prescription Drug Loss Liabilities	779,162	713,919	799,631	683,399	690,262	747,489	1,130,235	776,408	725,326	663,050	711,880	841,155
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	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	12,911,278	8,171,997	13,662,964
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	5,544,040	2,843,098	-
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	2,205,782	2,093,573	2,132,357
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	35,120,387	28,345,504	33,033,896
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	27,445,877	26,240,316	24,569,024
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	3,486,460	4,140,107	4,763,374
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	7,432,199	6,601,114	5,766,755
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	38,364,536	36,981,537	35,099,153
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	73,484,923	65,327,041	68,133,049

**Health Insurance Risk-Sharing Plan Authority
for the Period Ended December 31, 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	8,454,662	8,683,676	8,651,159	105,667,247
Premium Subsidized	(432,951)	(427,052)	(425,444)	(426,111)	(420,785)	(422,334)	(369,345)	(373,398)	(378,338)	(392,503)	(388,559)	(387,558)	(4,844,378)
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	8,062,159	8,295,117	8,263,601	100,822,869
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	4,291,809	4,185,675	4,300,725	42,296,578
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	2,558,787	2,700,942	2,843,098	33,582,671
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	14,912,755	15,181,734	15,407,424	176,702,118
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	11,940,398	11,996,106	11,046,969	129,397,007
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	730,392	1,016,563	2,615,832	1,481,144
Deductible Subsidy Paid	54,031	85,954	65,579	65,508	67,344	50,803	49,834	41,577	40,878	32,029	35,297	31,611	620,445
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	12,702,819	13,047,966	13,694,412	131,498,596
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	3,610,843	3,483,652	3,412,133	41,740,072
Increase (Decrease) in Unpaid Losses	(15,304)	(65,243)	85,712	(116,232)	6,863	57,227	382,746	(353,827)	(51,082)	(62,276)	48,830	129,275	46,689
Drug Rebates	(231,402)	(205,516)	(1,165,263)	(307,473)	(608,508)	(383,437)	(319,446)	(324,149)	(292,975)	(332,436)	(314,935)	(327,632)	(4,813,172)
Subsidy - Coinsurance Out-of-Pocket Max	(49)	584	4,747	11,797	20,518	23,115	30,100	36,899	39,195	48,291	47,373	54,112	316,682
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	3,264,422	3,264,920	3,267,888	37,290,271
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	15,967,241	16,312,886	16,962,300	168,788,867
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	59,089	35,693	52,764	599,587
WPS Admin Fees	366,750	375,760	374,963	374,169	362,964	368,847	362,343	359,824	356,079	359,346	356,169	359,985	4,377,199
Navitus Admin Fees	99,644	98,527	98,621	98,505	97,180	96,866	96,762	95,304	95,117	94,391	94,193	94,193	1,160,420
Milliman USA Actuarial Services	4,707	32,452	15,225	31,772	11,691	3,365	8,231	45,260	(6,803)	5,214	10,698	36,654	198,466
Other Admin Fees	2,502	2,500	6,084	5,695	1,399	14,625	6,478	5,667	4,452	5,807	11,970	4,659	71,838
Total Administrative Expenses	521,780	554,240	537,271	560,105	528,280	544,612	524,450	564,271	490,559	524,766	508,921	548,255	6,407,510
Referral fees	4,375	4,130	5,390	5,600	4,445	4,760	5,215	4,375	3,535	5,740	4,095	3,710	55,370
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	16,497,747	16,825,902	17,514,265	175,251,747
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)	(1,584,992)	(1,644,168)	(2,106,841)	1,450,371
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	242,833	261,169	224,922	3,228,580
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	242,833	261,169	224,922	5,317,805
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)	(1,342,159)	(1,382,999)	(1,881,919)	6,768,176
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	28,695,971	27,445,877	26,240,316	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)	(1,250,094)	(1,205,561)	(1,671,292)	2,922,223
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	27,445,877	26,240,316	24,569,024	24,569,024
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	2,665,982	3,486,460	4,140,107	(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	820,478	653,647	623,267	6,202,093
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	3,486,460	4,140,107	4,763,374	4,763,374
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	8,344,742	7,432,199	6,601,114	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)	(912,543)	(831,085)	(834,359)	(2,511,810)
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	7,432,199	6,601,114	5,766,755	5,766,755
Total Retained Earnings	28,996,889	31,669,600	34,713,072	40,543,276	42,058,678	42,173,200	41,617,743	40,617,857	39,706,695	38,364,536	36,981,537	35,099,153	35,099,153

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	December 2007	November 2007	Variance	Year-to-Date Through December 2007	Year-to-Date Through December 2006	Variance
Gross Premiums	8,651,159	8,683,676	(32,517)	105,667,247	110,441,508	(4,774,261)
Premium Subsidized	(387,558)	(388,559)	1,001	(4,844,378)	(5,048,214)	203,836
Net Premium Revenues	8,263,601	8,295,117	(31,516)	100,822,869	105,393,294	(4,570,425)
Provider Contribution	4,300,725	4,185,675	115,050	42,296,578	36,779,894	5,516,684
Insurer Assessments	2,843,098	2,700,942	142,156	33,582,671	39,836,459	(6,253,788)
Total Operating Revenues	15,407,424	15,181,734	225,690	176,702,118	182,009,647	(5,307,529)
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	11,046,969	11,996,106	(949,137)	129,397,007	130,202,068	(805,061)
Increase (Decrease) in Unpaid Losses	2,615,832	1,016,563	1,599,269	1,481,144	(7,300,630)	8,781,774
Deductible Subsidy Paid	31,611	35,297	(3,686)	620,445	679,220	(58,775)
Total Medical Losses	13,694,412	13,047,966	646,446	131,498,596	123,580,658	7,917,938
Pharmacy Losses:						
Losses Paid or Approved for Payment	3,412,133	3,483,652	(71,519)	41,740,072	44,521,022	(2,780,950)
Increase (Decrease) in Unpaid Losses	129,275	48,830	80,445	46,689	(193,379)	240,068
Drug Rebates	(327,632)	(314,935)	(12,697)	(4,813,172)	(3,463,496)	(1,349,676)
Subsidy - Coinsurance Out-of-Pocket Max	54,112	47,373	6,739	316,682	360,595	(43,913)
Total Pharmacy Losses	3,267,888	3,264,920	2,968	37,290,271	41,224,742	(3,934,471)
Total Losses	16,962,300	16,312,886	649,414	168,788,867	164,805,400	3,983,467
Loss adjustment expenses	-	-	-	-	110,000	110,000
Administrative expenses						
Authority Admin Fees	52,764	35,693	17,071	599,587	211,553	388,034
WPS Admin Fees	359,985	356,169	3,816	4,377,199	4,681,592	(304,393)
Navitus Admin Fees	94,193	94,391	(198)	1,160,420	1,252,095	(91,675)
Milliman USA Actuarial Services	36,654	10,698	25,956	198,466	166,854	31,612
Other Admin Fees And Expenses	4,659	11,970	(7,311)	71,838	303,723	(231,885)
Total Administrative Expenses	548,255	508,921	39,334	6,407,510	6,615,817	(208,307)
Referral fees	3,710	4,095	(385)	55,370	61,985	(6,615)
Total Operating Expenses	17,514,265	16,825,902	688,363	175,251,747	171,593,202	3,878,545
Net Operating Income (Loss)	(2,106,841)	(1,644,168)	(462,673)	1,450,371	10,416,445	(9,186,074)
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	2,089,225	2,333,710	(244,485)
Investment Income	224,922	261,169	(36,247)	3,228,580	2,592,942	635,638
Miscellaneous Income	-	-	-	-	41	(41)
Total Non-operating Revenues (Expenses)	224,922	261,169	(36,247)	5,317,805	4,926,693	391,112
Net Income (Loss)	(1,881,919)	(1,382,999)	(498,920)	6,768,176	15,343,138	(8,794,962)

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

	December 2007 Budget	December 2007 Actual	Variance	Period-to-Date Through December 2007 Budget	Period-to-Date Through December 2007 Actual	Variance
Operating Revenues						
Gross Premiums	8,903,794	8,651,159	(252,635)	53,648,963	51,886,443	(1,762,520)
Premium Subsidized	(411,885)	(387,558)	24,327	(2,567,510)	(2,289,701)	277,809
Net Premium Revenues	8,491,909	8,263,601	(228,308)	51,081,453	49,596,742	(1,484,711)
Provider Contribution	4,449,593	4,300,725	(148,868)	22,857,376	22,633,208	(224,168)
Insurer Assessments	2,843,098	2,843,098	-	14,409,574	14,409,574	-
Total Operating Revenues	15,784,600	15,407,424	(377,176)	88,348,403	86,639,524	(1,708,879)
Operating Expenses						
Medical and Pharmacy Losses:	18,338,617	16,876,577	1,462,040	96,841,680	91,502,783	5,338,897
Deductible Subsidy/RX OOP Max	102,148	85,723	16,425	559,335	487,196	72,139
Total Medical and Pharmacy Losses	18,440,765	16,962,300	1,478,465	97,401,015	91,989,979	5,411,036
Loss adjustment expenses	-	-	-	-	-	-
Total Administrative Expenses	544,651	548,255	(3,604)	3,275,884	3,161,222	114,662
Referral fees	4,282	3,710	572	26,409	26,670	(261)
Total Operating Expenses	18,989,698	17,514,265	1,475,433	100,703,308	95,177,871	5,525,437
Net Operating Income (Loss)	(3,205,098)	(2,106,841)	1,098,257	(12,354,905)	(8,538,347)	3,816,558
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	259,815	224,922	(34,893)	1,562,694	1,619,970	57,276
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	259,815	224,922	(34,893)	1,562,694	1,619,970	57,276
Net Income (Loss)	(2,945,283)	(1,881,919)	1,063,364	(10,792,211)	(6,918,377)	3,873,834

**Health Insurance Risk-Sharing Plan Authority
Calendar Year 2007 Interim Reconciliation
As of December 31, 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	11,940,398	11,996,106	11,046,969	129,397,007
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	730,392	1,016,563	2,615,832	1,481,144
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	3,610,843	3,483,652	3,412,133	41,740,072
Increase (Decrease) in Unpaid Pharmacy Losses	(15,304)	(65,243)	85,712	(116,232)	6,863	57,227	382,746	(353,827)	(51,082)	(62,276)	48,830	129,275	46,689
Drug Rebates	(231,402)	(205,516)	(1,165,263)	(307,473)	(608,508)	(383,437)	(319,446)	(324,149)	(292,975)	(332,436)	(314,935)	(327,632)	(4,813,172)
Total Administrative Expenses	526,155	558,370	542,661	565,705	532,725	549,372	529,665	568,646	494,094	530,506	513,016	551,965	6,462,880
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	16,417,427	16,743,232	17,428,542	174,314,620
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	242,833	261,169	224,922	3,228,580
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	16,174,594	16,482,063	17,203,620	171,086,040
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	9,704,756	9,889,237	10,322,172	102,651,622
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	3,234,919	3,296,413	3,440,724	34,217,209
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	3,234,919	3,296,413	3,440,724	34,217,209
5. Subsidy Funding Shares													
Premium subsidies	432,951	427,052	425,444	426,111	420,785	422,334	369,345	373,398	378,338	392,503	388,559	387,558	4,844,378
Deductible Subsidies	54,031	85,954	65,579	65,508	67,344	50,803	49,834	41,577	40,878	32,029	35,297	31,611	620,445
Subsidy - coinsurance out-of-pocket Max	(49)	584	4,747	11,797	20,518	23,115	30,100	36,899	39,195	48,291	47,373	54,112	316,682
Total Subsidies	486,933	513,590	495,770	503,416	508,647	496,252	449,279	451,874	458,411	472,823	471,229	473,281	5,781,505
Federal Grant Funds Applied to Low Income Subsidies	(394,917)	(389,370)	(388,008)	(388,477)	(388,225)	(145,228)	-	-	-	-	-	-	(2,089,225)
Net Subsidy Funding Needed	92,016	124,220	107,762	114,939	125,422	351,024	449,279	451,874	458,411	472,823	471,229	473,281	3,692,280
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	236,412	235,615	236,641	1,846,143
Insurers	46,008	62,110	53,881	57,469	62,711	175,512	224,639	225,937	229,205	236,411	235,614	236,640	1,846,137
	92,016	124,220	107,762	114,939	125,422	351,024	449,279	451,874	458,411	472,823	471,229	473,281	3,692,280
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	9,704,756	9,889,237	10,322,172	102,651,622
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	3,471,331	3,532,028	3,677,365	36,063,351
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	3,471,330	3,532,027	3,677,364	36,063,347
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	8,062,159	8,295,117	8,263,601	100,822,869
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	392,503	388,559	387,558	4,844,378
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	8,454,662	8,683,676	8,651,159	105,667,247
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	4,291,809	4,185,675	4,300,725	42,296,578
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	2,558,787	2,700,942	2,843,098	33,582,671
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	15,305,258	15,570,293	15,794,982	181,546,496

(cont)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
8. Interim Estimate of Surplus/(Deficit) Account Balance for 2007													
Policyholders													
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	28,695,971	27,445,877	26,240,316	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	8,454,662	8,683,676	8,651,159	105,667,247
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	9,704,756	9,889,237	10,322,451	102,745,024
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)	(1,250,094)	(1,205,561)	(1,671,292)	2,922,223
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	27,445,877	26,240,316	24,569,024	24,569,024
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	27,445,877	26,240,316	24,569,024	24,569,024
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	2,665,982	3,486,460	4,140,107	(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	4,291,809	4,185,675	4,300,725	42,296,578
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	3,471,331	3,532,028	3,677,458	36,094,485
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	820,478	653,647	623,267	6,202,093
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	3,486,460	4,140,107	4,763,374	4,763,374
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	8,344,742	7,432,199	6,601,114	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	2,558,787	2,700,942	2,843,098	33,582,671
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	3,471,330	3,532,027	3,677,457	36,094,481
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)	(912,543)	(831,085)	(834,359)	(2,511,810)
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	7,432,199	6,601,114	5,766,755	5,766,755
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	38,364,536	36,981,537	35,099,153	35,099,153

**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of December 2007 Month End (12/27/2007)**

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	\$ 6,747,798.96	28.5%	\$ 4,824,676.26	\$ 2,653,359.83	\$ 2,171,316.43
Hospital Outpatient	\$ 4,295,903.04	28.5%	\$ 3,071,570.67	\$ 2,802,100.70	\$ 269,469.97
Hospital Inpatient	\$ 4,981,947.58	28.5%	\$ 3,562,092.52	\$ 2,523,309.56	\$ 1,038,782.96
Nursing Home	\$ 31,153.75	28.5%	\$ 22,274.93	\$ 26,151.37	\$ (3,876.44)
Other	\$ 641,451.10	28.5%	\$ 458,637.54	\$ 406,281.10	\$ 52,356.44
Total	\$ 16,698,254.43		\$ 11,939,251.92	\$ 8,411,202.56	\$ 3,528,049.36

Crossover Claims Claim Type	Medicare Allowed Charges	Medicare Paid	HIRSP Paid	HIRSP Deductible/ Coinsurance	Provider Share
Professional	\$ 396,322.59	\$ 293,036.93	\$ 84,470.93	\$ 7,429.10	\$ 11,385.63
Hospital Outpatient	\$ 411,329.71	\$ 314,766.85	\$ 88,598.34	\$ 2,710.78	\$ 5,253.74
Hospital Inpatient	\$ 579,381.72	\$ 504,090.15	\$ 69,337.74	\$ 34.28	\$ 5,919.55
Nursing Home	\$ 37,788.43	\$ 25,883.59	\$ 5,346.70	\$ -	\$ 6,558.14
Other	\$ 98,303.36	\$ 66,377.74	\$ 29,600.52	\$ 2,134.40	\$ 190.70
Total	\$ 1,523,125.81	\$ 1,204,155.26	\$ 277,354.23	\$ 12,308.56	\$ 29,307.76

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ 743,368.00
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Total Provider Contribution Non-Pharmacy	\$ 4,300,725.12
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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	\$ 6,221,717.13	0.0%	\$ 3,673,002.58	\$ 3,673,002.58	\$ -
Total Provider Contribution Pharmacy	\$ 6,221,717.13		\$ 3,673,002.58	\$ 3,673,002.58	\$ -

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

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

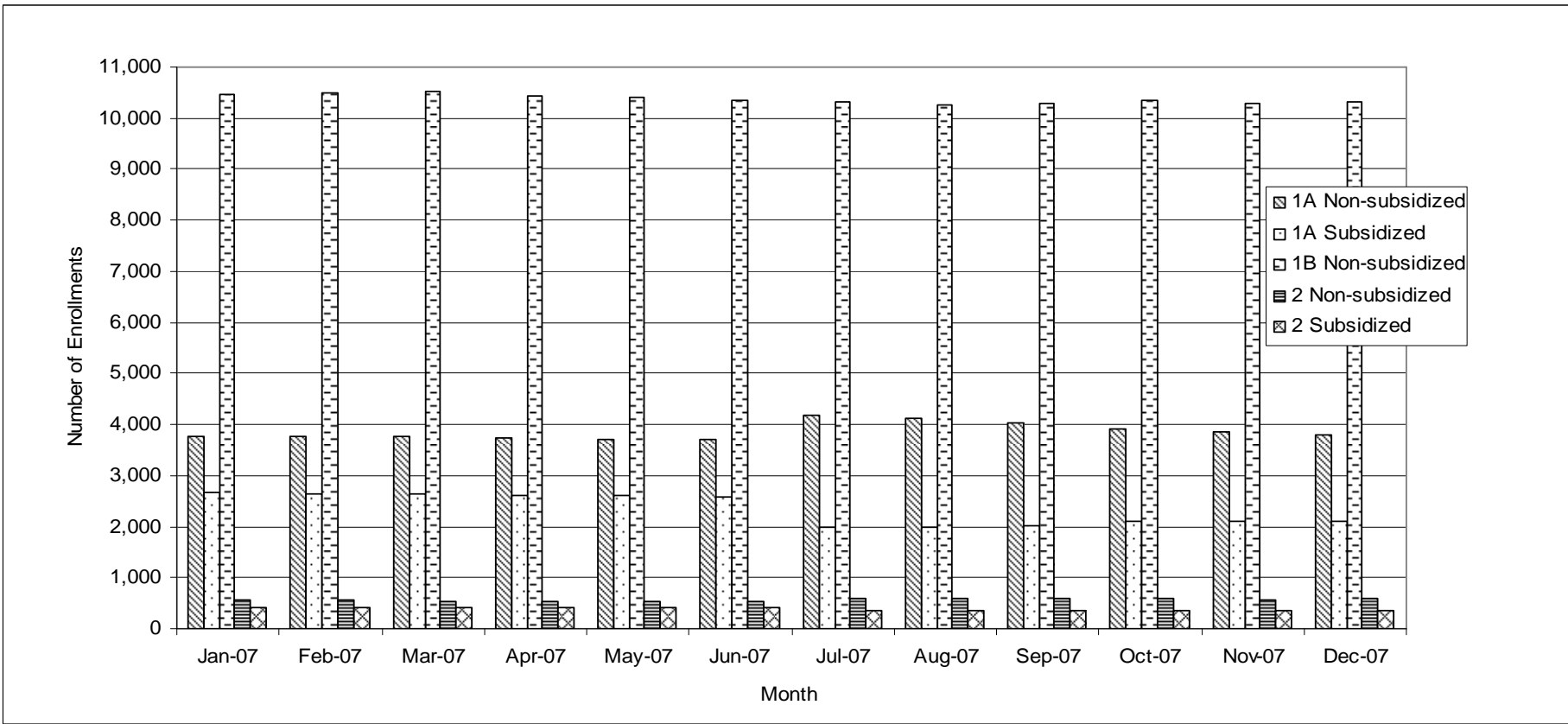
NOTES: Loss Ratio = Incurred Claims / Earned Premiums
 Earned Premium includes Premium Subsidies
 Incurred Claims include Provider Contributions
 Administrative Expenses are not included in this exhibit
 Incurred Claims and Earned Premiums are updated quarterly and restated to reflect
 the most current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

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

**December 2007
17,126**

**December 2006
18,073**

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	3,927	3,848	3,788
1A Subsidized	2,658	2,637	2,637	2,615	2,601	2,589	1,993	1,998	2,022	2,110	2,095	2,091
1B Non-subsidized	10,470	10,486	10,538	10,448	10,397	10,349	10,314	10,270	10,293	10,352	10,290	10,312
2 Non-subsidized	560	556	546	537	538	538	591	582	581	581	576	579
2 Subsidized	413	412	409	411	407	405	345	349	352	359	353	356



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

Total Subsidy by Plan		
Plan		Number of Policyholders
1A	Non-subsidized	3,788
1A	Subsidized	2,091
1B	Non-subsidized	10,312
2	Non-subsidized	579
2	Subsidized	356
Total		17,126

Total Subsidy by Level	
Subsidy Level	Number of Policyholders
Level 0	14,679
Level 1	271
Level 2	319
Level 3	422
Level 4	1,104
Level 5	331
Total	17,126

Total Subsidy by Plan and Region	
	Number of Policyholders
Plan 1A, Zone 1, Non-Subsidized	292
Plan 1A, Zone 1, Subsidized	211
Plan 1A, Zone 2, Non-Subsidized	1,162
Plan 1A, Zone 2, Subsidized	592
Plan 1A, Zone 3, Non-Subsidized	2,334
Plan 1A, Zone 3, Subsidized	1,288
Plan 1B, Zone 1, Non-Subsidized	600
Plan 1B, Zone 2, Non-Subsidized	3,081
Plan 1B, Zone 3, Non-Subsidized	6,631
Plan 2, Zone 1, Non-Subsidized	63
Plan 2, Zone 1, Subsidized	44
Plan 2, Zone 2, Non-Subsidized	167
Plan 2, Zone 2, Subsidized	124
Plan 2, Zone 3, Non-Subsidized	349
Plan 2, Zone 3, Subsidized	188
Total	17,126

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

Summary of Monthly Application Activity	
Number of Applications Pending November	122
Number of Applications Received December	391
Number of Applications Rejected December	15
Number of Applications Closed December	69
Number of Applications Pending December	128
Number of Applications Approved December	301

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	1
Currently covered by other insurance	1
Did not qualify for lost employer coverage.	8
Eligible for Group Health Coverage	5
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
Total	15

Detail of Applications Closed	
Applicant Request	3
Application Data requested; never received	7
Proper eligibility requested; never received	59
Total	69

Health Insurance Risk-Sharing Plan Authority

Monthly Eligibility Report December, 2007

A.	Medicare Eligible	4
B.	HIV +	7
C.	Eligible Individual	193
	<i>Newborn Applications</i>	7
D.	Letter of Medical Eligibility	97
	1. <i>Letter of Rejection By:</i>	
		1
	<i>American Family</i>	21
	<i>American Medical Security Group</i>	2
	<i>American National Life Insurance Company of Texas</i>	1
	<i>American Republic</i>	2
	<i>Assurant Health</i>	15
	<i>Atrium Health Plan</i>	3
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	41
	<i>Central Reserve Life Insurance</i>	1
	<i>Continental General Insurance Company</i>	1
	<i>Dean Health Plan</i>	3
	<i>Golden Rule Insurance Company</i>	8
	<i>Group Health Cooperative</i>	2
	<i>Humana Insurance Company</i>	34
	<i>John Alden Life Insurance</i>	2
	<i>Mega Life And Health Insurance</i>	3
	<i>Pekin Life Insurance</i>	4
	<i>Physicians Mutual Insurance Company</i>	1
	<i>Physicians Plus Insurance</i>	2
	<i>Security Health Plan</i>	12
	<i>Unity Health Plan</i>	2
	<i>Wisconsin Physicians Service Insurance</i>	28
	<i>World Insurance</i>	1
	2. <i>Notice of Benefit Reduction</i>	2
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		301

**Health Insurance Risk-Sharing Plan Authority
Medical Claims Denied Report
AS OF DECEMBER 2007 MONTH END (12/22/2007)**

Processed Month	Plan 1A		Plan 1B		Plan 2		All Plans			Denial Rate
	Paid	Denied	Paid	Denied	Paid	Denied	Paid	Denied	Total	
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%
October 2007	12,406	2,708	14,730	2,880	3,911	1,472	31,047	7,060	38,107	18.5%
November 2007	12,075	2,217	14,479	2,257	3,420	1,269	29,974	5,743	35,717	16.1%
December 2007	10,676	1,946	12,692	2,005	3,817	1,491	27,185	5,442	32,627	16.7%

Denial Reason Detail		
Volume	% of Total	Reason
1496	4.59%	DUPLICATE CLAIM/SERVICE.
568	1.74%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
483	1.48%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
438	1.34%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
418	1.28%	EXPENSE(S) INCURRED OUTSIDE COVERAGE PERIOD ARE NOT COVERED.
225	0.69%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.
197	0.60%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
145	0.44%	WE WERE UNABLE TO PROCESS YOUR CLAIM BECAUSE WE DIDNT RECEIVE A REPLY TO OUR QUESTIONNAIRE REGARDING THE POSSIBILITY OF THIRD PARTY LIABILITY OR WORKER'S COMPENSATION.
138	0.42%	THIS (THESE) SERVICE(S) IS (ARE) NOT COVERED.
133	0.41%	THE PRIMARY SERVICE CODE INCLUDES THE OTHER SERVICES BILLED, THEREFORE, NO PAYMENT HAS BEEN ALLOWED FOR THE OTHER SERVICES.

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 December 2007 Month End (12/31/2007)**

Processed Month	Denied	% of Total
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%
October 2007	16,711	18.83%
November 2007	16,196	19.15%
December 2007	15,193	18.24%

Denial Reason Detail		
Reason	Volume	% of Total
DUR Reject Error	4,924	5.91%
Plan Limitations Exceeded	2,783	3.34%
Product/Service Not Covered	2,079	2.50%
Refill Too Soon	1,488	1.79%
Submit Bill to Other Processor or Primary Payer	800	0.96%
Filled After Coverage Terminated	441	0.53%
Patient is Not Covered	354	0.42%
Missing/Invalid Dispense as Written Code (DAW)	353	0.42%
Missing/Invalid Other Payer ID Qualifier	329	0.39%
Duplicate Paid/Captured Claim	217	0.26%

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
December 2007**

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	3
	Enrollment/Eligibility Requirements	11
	Not Covered Benefit	2
	Not Medically Necessary	1
	Plan Administration	8
	Prior Authorization	2
	Experimental Treatment	0
	Billing/Claim Processing	1
<u>Grievance Committee Decision</u>		
	Eligibility Request Closed Prior to Committee	2
	Approved	19
	Upheld Denial	7
	Partial Approval	0
Total Grievances Received		28

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
<u>Appeal Committee Decision</u>		
	Eligibility Requests Closed Prior to Committee	0
	Approved	0
	Upheld Denial	0
	Upheld Denial with IRO Rights	0
Total Appeals Received		0