



Financial and Policyholder Activity Report

December 2008
Revised July 2009

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
DECEMBER 2008 MONTHLY REPORT
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Summary Review
Un-audited HIRSP Authority Financial Statements
For the Twelve-Month Period Ended December 31, 2008

ASSETS

Total assets increased to \$73.8 million in December 2008, increasing during the month by \$2.1 thousand. Assessments receivable decreased from \$807,829 in November to \$44,391 in December due to collections of billed insurer assessments. The remaining balance reflects one company in receivership with the remainder of all assessments fully collected. Cash assets increased \$895 thousand or 1.3% during the month to \$71.3 million as of December 31, 2008.

Total assets year-to-date in December 2008 increased by \$5.7 million compared to December 2007 total assets, an increase of 8.4%. Cash assets year-to-date increased by \$5.9 million relative to December 2007, a 9.0% increase. Drug rebate receivables decreased \$567,325.

LIABILITIES

Total liabilities increased to \$38.4 million in December 2008, increasing during the month by \$9.3 million. Accounts payable and other accrued liabilities increased \$12.6 million due to the accrual of the \$11.9 million policyholder payout that was approved by the board in December 2008 to be paid in 2009. Unpaid medical loss liabilities decreased by \$13,786 in December to \$11.8 million, and unpaid drug loss liabilities decreased during December by \$730,991 or 67.1% and equaled \$358,899. Unearned assessment liability decreased \$4.0 million due to revenue recognition of insurer assessments, while unearned premiums increased \$4.0 million.

Total liabilities year-to-date in December 2008 increased by \$5.3 million relative to total liabilities in December 2007, increasing 16.2% from the prior year. Year-to-date aggregate liabilities for unpaid medical and drug claims were \$12.2 million, decreased by \$4.3 million or 26.0% compared to 2007 year-to-date aggregate claim liabilities. Year-to-date changes in liabilities include a \$2.4 million decrease in unearned premium, and a \$12.0 million increase in accounts payable and other accrued liabilities.

CALENDAR YEAR 2008 NET INCOME

Net income for the twelve months ended December 31, 2008 was \$343,422, decreased by \$6.4 million compared to 2007 year-to-date net income of \$6.8 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 \$89.2 million year-to-date through December 2008 decreased by \$11.6 million or 11.5% 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 16,284 HIRSP contracts in force as of December 31, 2008 compared to 17,126 contracts as of December 2007, the current number of contracts having decreased from the prior year by 842. Of this decrease, 512 were children who became eligible for Badgercare Plus and left HIRSP. December 2008 year-to-date total operating revenue of \$168.4 million decreased from 2007 year-to-date by \$8.3 million, or 4.7%.

Incurred medical loss expense for the twelve months ended December 31, 2008 was \$118.1 million, decreased by \$13.4 million or 10.2% from incurred medical losses in the twelve months ended December 31, 2007. Paid and approved medical losses decreased to \$122.8 million, decreased by \$6.6 million or 5.1% compared to December 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 December 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 December 2008.

Absent the 2008 change in loss reserve liabilities, the year-to-date reported net income of \$12.3 million would have been \$3.8 million less, and would otherwise have been \$8.5 million as of December 2008.

Incurred pharmacy loss expense year-to-date in 2008 was \$32.9 million, reflecting a 2008 decrease of \$4.4 million or 11.8% compared to December 2007 year-to-date total pharmacy loss expense. Aggregate incurred medical and pharmacy loss expense for the twelve months of 2008 was \$151.0 million, decreased by \$17.8 million or 10.5% compared to aggregate medical and pharmacy loss expense of \$168.8 million for the twelve months of 2007.

Total administrative expenses and referral fees of \$6.5 million for the twelve months of 2008 decreased by 0.8% compared to the same period in 2007. Year-to-date in 2008, WPS administrative fees increased \$79,554 to \$4.5 million and pharmacy administration fees decreased 7.2% to \$1,077,225, primarily due to declining HIRSP contract counts. Actuarial services expense remained flat at \$198,318.

Investment income for the twelve months ended December 31, 2008 was \$1.3 million, decreased by \$1.9 million or 58.5% compared to the same period in 2007. The decreased investment income is due to decreased interest rate yield on cash deposits in 2008. The approved policyholder distribution of \$11.9 million is reflected in the 2008 non-operating revenue. Year-to-date 2008 total non-operating revenues are comprised of interest income and the policyholder distribution, and decreased \$15.9 million compared to year-to-date 2007. The decrease in non-operating revenue is primarily attributable to a distribution of policyholder surplus. At its December 21, 2008 board meeting, the HIRSP Authority Board of Directors authorized \$11.9 million to be refunded to policyholders in the first quarter of 2009. This surplus had accumulated over a period of years when premiums collected exceeded the required 60 percent share of program costs. 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 \$126.8 million of sources of cash compared to \$121.4 million in uses of cash. Non-operating activities provided cash of \$1.6 million. The net change year-to-date is a \$5,920,113 increase in cash through December 2008. The largest use of cash was payment of medical claims.

2008 OPERATING BUDGET

Relative to the 2008 operating budget for the twelve-month period ended December 31, 2008, actual net income of \$343,422 million was short of budgeted net income by \$15.0 million. The policyholder distribution of \$11.9 million was not budgeted in 2008. In addition, actual total revenues of \$170.0 million were under budget by \$1,734,519. The variance in actual revenues included a \$41,497 shortfall in net premium revenues, a \$445,154 shortfall in provider contributions, and a \$1,247,868 shortfall in investment income. Actual medical and pharmacy loss expenses of \$151.0 million were under budget by \$28.7 million, and administrative expenses of \$6.5 million were under budget by \$25,790. Year-to-date net income was \$343,422 as of December 31, 2008, whereas the 2008 budget projected a net loss of \$14.8 million.

RETAINED EQUITY

HIRSP Authority total equity decreased by \$11.4 million during the month of December 2008 and equaled \$35.4 million as of December 31, 2008. The decrease in total equity resulted from December 2008 net operating gain of \$470,232 less investment losses of \$4,774 and policyholder distribution of \$11,892,065, which provided a net loss for the month of \$11,426,607.

In December 2008, policyholders' equity decreased by \$12,584,404 to equal \$15.9 million, and exceeded RBC target reserves by \$5.8 million. Providers' equity increased by \$313,314 to equal \$9.6 million, and exceeded RBC target reserves by \$6.2 million. Insurers' equity increased by \$844,483 to equal \$10.0 million, and exceeded RBC target reserves by \$6.6 million. Year-to-date through December 2008, HIRSP Authority total retained equity of \$35.4 million increased by \$343 thousand from the December 2007 year-to-date total equity of \$35.1 million.

Year-to-date through December 2008, total reported net income was \$343 thousand, and reported net retained equity increased from \$35.1 million as of December 31, 2007 to \$35.4 million as of December 31, 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 loss would have been \$3.5 million and net retained equity would have been \$31.6 million as of December 31, 2008.

Health Insurance Risk-Sharing Plan Authority
December 31, 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	71,325,612
Other Receivables	739,048	575,608	820,274	601,531	672,539	647,572	753,298	737,997	823,063	828,796	906,362	971,035
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	1,445,188
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	44,391
Prepaid Items	14,836	14,268	14,431	19,175	13,930	15,948	19,812	19,427	15,187	14,998	14,067	14,030
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	23,732
Total Assets	80,063,761	74,813,322	78,780,227	74,053,942	67,162,006	70,001,569	88,025,042	81,694,355	82,643,409	80,280,157	73,370,793	73,823,988
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	11,092,064	9,840,187	9,223,069	8,863,807	9,685,744	10,672,984	10,854,267	10,099,275	9,852,417	9,416,325	11,845,155	11,831,369
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	358,899
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	780,000
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	11,219,991
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	-	-	-	-	-	-	-	-	-	-	-	-
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	14,191,154
Total Liabilities	42,960,758	33,768,390	34,886,556	30,337,730	23,858,286	25,950,979	43,573,025	35,120,432	35,718,948	31,836,203	26,501,611	38,381,413
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	15,869,036
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	9,610,597
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	9,962,942
Total 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	35,442,575
Total Liabilities and Fund Equity	80,063,761	74,813,322	78,780,227	74,053,942	67,162,006	70,001,569	88,025,042	81,694,355	82,643,409	80,280,157	73,370,793	73,823,988

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

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

Operating Revenues	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Gross Premiums	8,531,568	8,724,789	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	7,800,809	96,105,543
Premium Subsidized	(580,275)	(577,024)	(582,048)	(561,321)	(565,254)	(571,686)	(575,604)	(581,106)	(582,727)	(583,911)	(577,852)	(575,287)	(6,914,095)
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	7,225,522	89,191,448
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	3,495,984	39,942,538
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	4,027,152	39,291,498
Total Operating Revenues	13,523,824	13,586,250	14,249,590	14,039,298	14,747,488	14,233,546	13,287,839	13,145,411	14,191,817	13,575,937	15,095,826	14,748,658	168,425,484
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	14,669,923	8,238,591	8,956,769	11,470,894	10,660,148	9,012,908	9,474,419	8,937,059	11,222,920	9,280,708	9,985,465	10,926,096	122,835,900
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	(19,314)	(5,349,426)
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	37,487	622,125
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	10,944,269	118,108,599
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	3,497,937	35,713,753
Increase (Decrease) in Unpaid Losses	(266,155)	-	114,741	(92,852)	25,299	(21,028)	(62,940)	(4,148)	(58,330)	(103,508)	717,656	(730,991)	(482,256)
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	(232,899)	(91,251)	(297,239)	(244,096)	(285,026)	(272,691)	(3,061,462)
Subsidy - Coinsurance Out-of-Pocket Max	-	-	77,792	49,939	60,941	60,790	72,278	69,818	76,230	80,108	73,737	90,465	712,098
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	2,584,720	32,882,133
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	13,528,989	150,990,732
Loss adjustment expenses	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
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	65,239	655,871
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	522,953	4,455,753
Pharmacy Benefits Manager Admin Fees	93,885	92,686	92,219	90,041	83,597	83,637	89,953	89,892	89,683	88,211	89,359	94,062	1,077,225
Milliman USA Actuarial Services	22,000	6,096	(5,000)	4,038	19,459	10,910	69,500	30,000	(490)	17,436	4,370	19,999	198,318
Disease Management Services	5,226	5,248	5,174	5,272	5,022	4,706	4,586	8,525	5,537	7,841	(649)	15,132	18,167
Other Admin Fees	532,193	498,210	506,509	496,114	620,030	506,596	559,441	526,310	499,295	518,260	478,444	735,552	71,620
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	735,552	6,476,954
Referral fees	5,145	4,760	4,900	4,515	4,690	4,970	5,355	5,285	3,290	3,115	2,975	3,885	52,885
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	14,278,426	157,530,571
Net Operating Income (Loss)	1,787,972	3,804,929	2,709,794	(302,587)	(525,569)	637,263	295,925	2,019,776	241,512	1,404,879	(1,649,213)	470,232	10,894,913
Non-Operating Revenues (Expenses)													
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	(4,774)	1,340,574
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to Policyholders	-	-	-	-	-	-	-	-	-	-	-	(11,892,065)	(11,892,065)
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	(11,896,839)	(10,551,491)
Net Income (Loss)	2,003,850	3,941,929	2,848,739	(177,459)	(412,492)	746,870	401,427	2,121,906	350,538	1,519,493	(1,574,772)	(11,426,607)	343,422
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	28,453,440	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)	(12,584,404)	(8,699,988)
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	15,869,036	15,869,036
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)	(10,107,074)
Retained Earnings in Excess of RBC	16,110,593	19,089,198	21,004,386	20,251,569	19,138,134	19,013,853	19,011,659	20,341,316	19,981,345	20,453,977	18,346,366	5,761,962	5,761,962
Providers													
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	9,297,283	4,763,374
Current Earnings	312,779	450,569	427,604	627,531	761,992	443,700	313,500	92,768	441,361	221,341	340,764	313,314	4,847,223
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	9,610,597	9,610,597
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)	(3,369,025)
Retained Earnings in Excess of RBC	1,707,128	2,157,697	2,685,301	3,312,832	4,074,824	4,518,524	4,832,024	4,924,792	5,366,153	5,587,494	5,928,258	6,241,572	6,241,572
Insurers													
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	9,118,459	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	844,483	4,196,187
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	9,962,942	9,962,942
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)	(3,369,025)
Retained Earnings in Excess of RBC	2,440,158	2,952,913	3,358,860	3,306,687	3,245,638	3,673,089	3,763,210	4,462,691	4,731,839	5,557,359	5,749,434	6,593,917	6,593,917
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	35,442,575	35,442,575
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)	(16,845,124)
Retained Earnings in Excess of RBC	20,257,879	24,199,808	27,048,547	26,871,088	26,458,596	27,205,466	27,606,893	29,728,799	30,079,337	31,598,830	30,024,058	18,597,451	18,597,451

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

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	Month of December 2008	YTD Through December 2008
Sources of Cash		
Cash received for premiums	11,078,212	86,523,566
Cash received for assessments	763,439	39,247,107
Total Operating Sources	11,841,651	125,770,673
Uses of Cash		
Cash payments for medical losses	(7,467,090)	(82,217,890)
Cash payments for pharmacy losses	(3,038,336)	(32,822,198)
Cash payments for referral fees	(3,010)	(52,815)
Cash payments for other expenses	(507,237)	(6,320,283)
Total Operating Uses	(11,015,673)	(121,413,186)
Net Cash Provided (Used) by Operating Activities	825,978	4,357,487
Cash Flows from Non-Operating Activities		
Cash received from investment income	68,696	1,562,626
Cash received from federal grant	-	-
Cash received for miscellaneous income	-	-
Cash Distribution to Policyholders	-	-
Net Cash Provided/(Used) by Non-Operating Activities	68,696	1,562,626
Cash and Cash Equivalents		
Net Increase (Decrease) in cash equivalents	894,674	5,920,113
Cash and cash equivalents, beginning of period	70,430,938	65,405,499
Cash and Equivalents, End of Period	71,325,612	71,325,612

RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS

Net income (loss) from operations	470,232	10,894,913
Adjustments to Reconcile Net Operating Income to Net Cash Provided By Operating Activities		
Changes in assets and liabilities:		
Decrease (increase) in receivables	367,972	3,061
Decrease (increase) in prepaids	37	4,062
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	(3,785,708)	161,744
Increase (decrease) in liability for unearned premiums	4,032,325	(2,451,944)
Increase (decrease) in liability for medical Loss liabilities	(63,051)	(3,746,961)
Increase (decrease) in liability for pharmacy loss liabilities	(195,829)	(507,388)
Other adjustments	-	-
Total adjustments	355,746	(6,537,426)
Net Cash Provided/(Used) by Operating Activities	825,978	4,357,487

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

Operating Revenues	December 2008	November 2008	Variance	Year-to-Date Through December 2008	Year-to-Date Through December 2007	Variance
Gross Premiums	7,800,809	7,832,557	(31,748)	96,105,543	105,667,247	(9,561,704)
Premium Subsidized	(575,287)	(577,852)	2,565	(6,914,095)	(4,844,378)	(2,069,717)
Net Premium Revenues	<u>7,225,522</u>	<u>7,254,705</u>	<u>(29,183)</u>	<u>89,191,448</u>	<u>100,822,869</u>	<u>(11,631,421)</u>
Provider Contribution	3,495,984	3,994,905	(498,921)	39,942,538	42,296,578	(2,354,040)
Insurer Assessments	4,027,152	3,846,216	180,936	39,291,498	33,582,671	5,708,827
Total Operating Revenues	<u>14,748,658</u>	<u>15,095,826</u>	<u>(347,168)</u>	<u>168,425,484</u>	<u>176,702,118</u>	<u>(8,276,634)</u>
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	10,926,096	9,985,465	940,631	122,835,900	129,397,007	(6,561,107)
Increase (Decrease) in Unpaid Losses	(19,314)	3,242,391	(3,261,705)	(5,349,426)	1,481,144	(6,830,570)
Deductible Subsidy Paid	37,487	29,913	7,574	622,125	620,445	1,680
Total Medical Losses	<u>10,944,269</u>	<u>13,257,769</u>	<u>(2,313,500)</u>	<u>118,108,599</u>	<u>131,498,596</u>	<u>(13,389,997)</u>
Pharmacy Losses:						
Losses Paid or Approved for Payment	3,497,937	2,499,484	998,453	35,713,753	41,740,072	(6,026,319)
Increase (Decrease) in Unpaid Losses	(730,991)	717,656	(1,448,647)	(482,256)	46,689	(528,945)
Drug Rebates	(272,691)	(285,026)	12,335	(3,061,462)	(4,813,172)	1,751,710
Subsidy - Coinsurance Out-of-Pocket Max	90,465	73,737	16,728	712,098	316,682	395,416
Total Pharmacy Losses	<u>2,584,720</u>	<u>3,005,851</u>	<u>(421,131)</u>	<u>32,882,133</u>	<u>37,290,271</u>	<u>(4,408,138)</u>
Total Losses	13,528,989	16,263,620	(2,734,631)	150,990,732	168,788,867	(17,798,135)
Loss adjustment expenses	10,000	-	(10,000)	10,000	-	(10,000)
Administrative expenses						
Authority Admin Fees	65,239	42,410	22,829	655,871	599,587	56,284
WPS Admin Fees	522,953	342,954	179,999	4,455,753	4,377,199	78,554
Pharmacy Benefits Manager Admin Fees	94,062	89,359	4,703	1,077,225	1,160,420	(83,195)
Milliman USA Actuarial Services	19,999	4,370	15,629	198,318	198,466	(148)
Disease Management Services	18,167	-	18,167	18,167	-	18,167
Other Admin Fees And Expenses	15,132	(649)	15,781	71,620	71,838	(218)
Total Administrative Expenses	<u>735,552</u>	<u>478,444</u>	<u>257,108</u>	<u>6,476,954</u>	<u>6,407,510</u>	<u>69,444</u>
Referral fees	3,885	2,975	910	52,885	55,370	(2,485)
Total Operating Expenses	<u>14,278,426</u>	<u>16,745,039</u>	<u>(2,486,613)</u>	<u>157,530,571</u>	<u>175,251,747</u>	<u>(17,741,176)</u>
Net Operating Income (Loss)	<u>470,232</u>	<u>(1,649,213)</u>	<u>2,139,445</u>	<u>10,894,913</u>	<u>1,450,371</u>	<u>9,464,542</u>
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	2,089,225	(2,089,225)
Investment Income	(4,774)	74,441	(79,215)	1,340,574	3,228,580	(1,888,006)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	(11,892,065)	-	(11,892,065)	(11,892,065)	-	(11,892,065)
Total Non-operating Revenues (Expenses)	<u>(11,896,839)</u>	<u>74,441</u>	<u>(11,971,280)</u>	<u>(10,551,491)</u>	<u>5,317,805</u>	<u>(15,869,296)</u>
Net Income (Loss)	<u>(11,426,607)</u>	<u>(1,574,772)</u>	<u>(9,831,835)</u>	<u>343,422</u>	<u>6,768,176</u>	<u>(6,404,754)</u>

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

	December 2008 Budget	December 2008 Actual	Variance	Year-to-Date Through December 2008 Budget	Year-to-Date Through December 2008 Actual	Variance
Operating Revenues						
Gross Premiums	8,094,835	7,800,809	(294,026)	98,711,687	96,105,543	(2,606,144)
Premium Subsidized	(764,173)	(575,287)	188,886	(9,478,742)	(6,914,095)	2,564,647
Net Premium Revenues	7,330,662	7,225,522	(105,140)	89,232,945	89,191,448	(41,497)
Provider Contribution	3,856,926	3,495,984	(360,942)	40,387,692	39,942,538	(445,154)
Insurer Assessments	4,027,152	4,027,152	-	39,291,498	39,291,498	-
Total Operating Revenues	15,214,740	14,748,658	(466,082)	168,912,135	168,425,484	(486,651)
Operating Expenses						
Medical and Pharmacy Losses:	18,794,171	13,401,037	5,393,134	179,081,731	149,656,509	29,425,222
Deductible Subsidy/RX OOP Max	36,780	127,952	(91,172)	653,288	1,334,223	(680,935)
Total Medical and Pharmacy Losses	18,830,951	13,528,989	5,301,962	179,735,019	150,990,732	28,744,287
Loss adjustment expenses	-	10,000	(10,000)	-	10,000	(10,000)
Administrative expenses						
Total Administrative Expenses	540,537	735,552	(195,015)	6,483,873	6,476,954	6,919
Referral fees	4,220	3,885	335	53,589	52,885	704
Total Operating Expenses	19,375,708	14,278,426	5,097,282	186,272,481	157,530,571	28,741,910
Net Operating Income (Loss)	(4,160,968)	470,232	4,631,200	(17,360,346)	10,894,913	28,255,259
Non-Operating Revenues (Expenses)						
Federal Grant	-	-	-	-	-	-
Federal Bonus Grant Funds	-	-	-	-	-	-
Investment Income	193,935	(4,774)	(198,709)	2,588,442	1,340,574	(1,247,868)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	-	(11,892,065)	(11,892,065)	-	(11,892,065)	(11,892,065)
Total Non-operating Revenues (Expenses)	193,935	(11,896,839)	(12,090,774)	2,588,442	(10,551,491)	(13,139,933)
Net Income (Loss)	(3,967,033)	(11,426,607)	(7,459,574)	(14,771,904)	343,422	15,115,326

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
1. Operating and Administrative Costs under s.149.143(1)													
Medical Losses Paid or Approved for Payment	14,669,923	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	10,926,096	122,835,900
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	(19,314)	(5,349,426)
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	3,497,937	35,713,753
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	(730,991)	(482,256)
Drug Rebates	(286,361)	(267,918)	(280,011)	(277,811)	(277,779)	(248,380)	(232,899)	(91,251)	(297,239)	(244,096)	(285,026)	(272,691)	(3,061,462)
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	739,437	6,529,839
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
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	14,150,474	156,196,348
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	215,878	137,000	138,945	125,128	113,077	109,607	105,502	102,130	109,026	114,614	74,441	(4,774)	1,340,574
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	11,471,541	9,576,972	11,246,722	14,099,372	15,042,633	13,376,406	12,752,400	10,916,011	13,715,646	11,935,875	16,566,948	14,155,248	154,855,774
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	7,651,440	6,549,607	8,229,388	7,161,525	9,940,168	8,493,148	92,913,466
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	2,831,050	30,971,154
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	2,831,050	30,971,154
5. Subsidy Funding Shares													
Premium subsidies	580,275	577,024	582,048	561,321	565,254	571,686	575,604	581,106	582,727	583,911	577,852	575,287	6,914,095
Deductible Subsidies	48,433	67,349	76,337	67,446	56,406	49,480	61,734	37,676	49,403	40,461	29,913	37,487	622,125
Subsidy - coinsurance out-of-pocket Max	-	-	77,792	49,939	60,941	60,790	72,278	69,818	76,230	80,108	73,737	90,465	712,098
Total Subsidies	628,708	644,373	736,177	678,706	682,601	681,956	709,616	688,600	708,360	704,480	681,502	703,239	8,248,318
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	703,239	8,248,318
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	351,620	4,124,161
Insurers	314,354	322,186	368,088	339,353	341,300	340,978	354,808	344,300	354,180	352,240	340,751	351,619	4,124,157
	628,708	644,373	736,177	678,706	682,601	681,956	709,616	688,600	708,360	704,480	681,502	703,239	8,248,318
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	6,882,925	5,746,184	6,748,034	8,459,624	9,025,579	8,025,844	7,651,440	6,549,607	8,229,388	7,161,525	9,940,168	8,493,148	92,913,466
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	3,182,670	35,095,315
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	3,182,669	35,095,311
7. Operating Revenues by Source													
Policyholders													
Premium	7,951,293	8,147,765	8,081,174	7,145,486	7,346,890	7,329,877	7,073,642	7,298,158	7,286,690	7,050,246	7,254,705	7,225,522	89,191,448
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	575,287	6,914,095
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	7,800,809	96,105,543
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	3,495,984	39,942,538
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	4,027,152	39,291,498
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	15,323,945	175,339,579

(cont)

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
Policyholders													
Prior Period Surplus / (Deficit)	24,569,024	26,217,667	29,196,272	31,111,460	30,358,643	29,245,208	29,120,927	29,118,733	30,448,390	30,088,419	30,561,051	28,453,440	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	7,800,809	96,105,543
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	8,493,148	92,913,466
Less Distribution to Policyholders	-	-	-	-	-	-	-	-	-	-	-	-	11,892,065
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)	(12,584,404)	(8,699,988)
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	15,869,036	15,869,036
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)	(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	5,761,962	5,761,962
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	9,297,283	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	3,495,984	39,942,538
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	3,182,670	35,095,315
Monthly Change	312,779	450,569	527,604	627,531	761,992	443,700	313,500	92,768	441,361	221,341	340,764	313,314	4,847,223
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	9,610,597	9,610,597
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)	(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	6,241,572	6,241,572
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	9,118,459	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	4,027,152	39,291,498
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	3,182,669	35,095,311
Monthly Change	42,428	512,755	405,947	(62,173)	(61,049)	427,451	90,121	699,481	269,148	825,520	192,075	844,483	4,196,187
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	9,962,942	9,962,942
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)	(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	6,593,917	6,593,917
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	35,442,575	35,442,575
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)	(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	18,597,451	18,597,451

**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of December 2008 Month End (12/29/2008)**

Provider Contribution Calculation for the Current Month - Claims by Claim Type						
Claims Incurred 1/1/2008 and After						
Claim Type	Billed Charges		HIRSP Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ 8,400,410.48		\$ 4,545,949.09	\$ 3,258,355.92	\$ 1,287,593.17	\$ 2,377,584.61
Hospital Outpatient	\$ 4,994,340.94		\$ 3,570,660.37	\$ 2,540,632.16	\$ 1,030,028.21	\$ 2,105,760.89
Hospital Inpatient	\$ 4,998,373.87		\$ 3,622,376.44	\$ 2,571,775.67	\$ 1,050,600.77	\$ 2,525,698.53
Nursing Home	\$ 11,574.01		\$ 14,802.76	\$ 10,510.48	\$ 4,292.28	\$ 10,182.22
Other	\$ 854,973.39		\$ 608,998.33	\$ 454,145.94	\$ 154,852.39	\$ 344,203.77
Total	\$ 19,259,672.69		\$ 12,362,786.99	\$ 8,835,420.17	\$ 3,527,366.82	\$ 7,363,430.02

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ (18,023.98)	28.5%	\$ (12,887.15)	\$ (12,516.31)	\$ (370.84)	\$ (12,970.06)
Hospital Outpatient	\$ (1,109.88)	28.5%	\$ (793.56)	\$ (794.49)	\$ 0.93	\$ (1,210.07)
Hospital Inpatient	\$ (44,929.17)	28.5%	\$ (32,124.36)	\$ (2,341.87)	\$ (29,782.49)	\$ (2,341.87)
Nursing Home	\$ -	28.5%	\$ -	\$ 245.42	\$ (245.42)	\$ 1,046.92
Other	\$ (566.66)	28.5%	\$ (405.16)	\$ (4,948.52)	\$ 4,543.36	\$ (4,948.52)
Total	\$ (64,629.69)		\$ (46,210.23)	\$ (20,355.77)	\$ (25,854.46)	\$ (20,423.60)

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ (5,528.00)
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Total Provider Contribution	\$ 3,495,984.36
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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**

2Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$20,853,447	\$10,280,888	202.8%	\$1,101.26	\$542.93
\$2,500	20,692,311	15,315,146	135.1%	663.26	490.90
Medicare Supplement	1,736,328	1,256,896	138.1%	612.25	443.19
Total	\$43,282,086	\$26,852,930	161.2%	\$817.11	\$506.95
3Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$20,999,812	\$10,685,401	196.5%	\$1,145.72	\$582.98
\$2,500	19,214,319	14,423,771	133.2%	623.09	467.74
Medicare Supplement	1,479,903	987,774	149.8%	528.16	352.52
Total	\$41,694,035	\$26,096,946	159.8%	\$802.30	\$502.17
4Q07					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$22,896,783	\$10,369,954	220.8%	\$1,290.83	\$584.62
\$2,500	24,351,571	14,425,926	168.8%	788.94	467.37
Medicare Supplement	1,368,196	993,617	137.7%	491.45	356.90
Total	\$48,616,550	\$25,789,496	188.5%	\$946.07	\$501.86
1Q08					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$15,588,986	\$8,912,951	174.9%	\$1,154.06	\$659.83
\$2,500	17,905,349	13,682,977	130.9%	643.45	491.72
\$3,500 HSA	59,039	239,700	24.6%	106.38	431.89
\$5,000	1,841,336	2,067,147	89.1%	340.04	381.74
Medicare Supplement	1,680,459	1,016,804	165.3%	580.07	350.99
Total	\$37,075,168	\$25,919,578	143.0%	\$738.52	\$516.31
2Q08					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$15,259,340	\$8,129,129	187.7%	\$1,231.88	\$656.26
\$2,500	19,383,703	12,031,373	161.1%	720.82	447.41
\$3,500 HSA	215,977	311,443	69.3%	266.97	384.97
\$5,000	1,834,783	2,042,935	89.8%	314.88	350.60
Medicare Supplement	1,644,793	1,005,634	163.6%	574.10	351.01
Total	\$38,338,597	\$23,520,514	163.0%	\$785.97	\$482.19
3Q08					
Plan	Total Dollars			Per Member Per Month	
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium
\$1,000	\$14,058,236	\$7,800,642	180.2%	\$1,187.55	\$658.95
\$2,500	19,552,281	11,920,269	164.0%	733.81	447.37
\$3,500 HSA	409,163	420,224	97.4%	379.21	389.46
\$5,000	2,451,388	2,253,875	108.8%	381.30	350.58
Medicare Supplement	1,414,341	1,002,917	141.0%	497.83	353.02
Total	\$37,885,409	\$23,397,927	161.9%	\$775.83	\$479.15

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

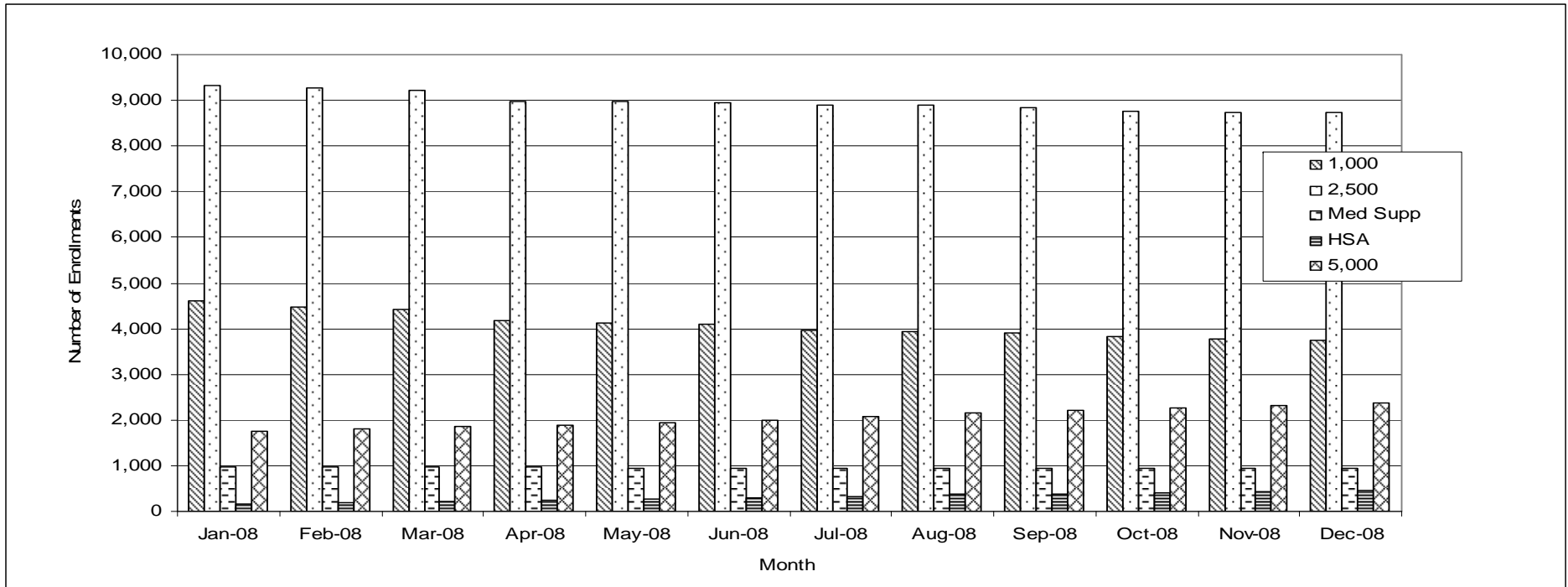
Incurred Claims and Earned Premiums are updated quarterly and restated to reflect the most current information available as of December 31, 2008

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

December 2008
16,284

December 2007
17,126

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	4,484	4,422	4,170	4,129	4,085	3,975	3,946	3,905	3,836	3,783	3,752
2,500	9,337	9,284	9,206	8,968	8,967	8,948	8,906	8,890	8,839	8,764	8,736	8,732
Med Supp	962	968	967	958	954	953	947	945	946	945	938	937
HSA	161	181	213	241	268	301	331	368	381	406	429	455
5,000	1,749	1,810	1,854	1,885	1,944	1,994	2,073	2,151	2,202	2,261	2,330	2,376
Total	16,806	16,727	16,662	16,222	16,262	16,281	16,232	16,300	16,273	16,212	16,216	16,252



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

Total Subsidy by Plan			
Plan		Number of Policyholders	% of Total
HIRSP 1,000	Non-subsidized	2,182	13.4%
	Subsidized	1,580	9.7%
	Total	3,762	23.1%
HIRSP 2,500	Non-subsidized	8,001	49.1%
	Subsidized	746	4.6%
	Total	8,747	53.7%
HIRSP Medicare Supplement	Non-subsidized	555	3.4%
	Subsidized	389	2.4%
	Total	944	5.8%
HIRSP Health Savings Account	Non-subsidized	423	2.6%
	Subsidized	31	0.2%
	Total	454	2.8%
HIRSP 5,000	Non-subsidized	2,068	12.7%
	Subsidized	309	1.9%
	Total	2,377	14.6%
Non-subsidized Total		13,229	81.2%
Subsidized Total		3,055	18.8%
Grand Total		16,284	100.0%

Total Subsidy by Level		
Subsidy Level	Number of Policyholders	% of Total
\$25,000 Above	13,229	81.2%
\$20,000 - \$24,999	474	2.2%
\$17,000 - \$19,999	359	2.4%
\$14,000 - \$16,999	391	3.1%
\$10,000 - \$13,999	511	8.1%
\$9,999 Under	1,320	2.9%
Total	16,284	100.0%

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

Summary of Monthly Application Activity	
Number of Applications Pending November	155
Number of Applications Received December	457
Number of Applications Rejected December	19
Number of Applications Closed December	102
Number of Applications Pending December	164
Number of Applications Approved December	327

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	0
Currently covered by other insurance	0
Did not qualify for lost employer coverage.	2
Eligible for Group Health Coverage	17
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
Total	19

Detail of Applications Closed	
Applicant Request	8
Application Data requested; never received	8
Proper eligibility requested; never received	86
Total	102

Applications Approved in 2008*						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	79	218	3	23	100	423
February	43	126	1	25	80	275
March	36	141	1	36	84	298
April	43	173	3	29	116	364
May	29	144	1	31	65	270
June	22	136	0	35	104	297
July	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	47	163	2	26	95	333
Total	439	1,783	21	357	1,106	3,706

Disenrollment in 2008						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	313	355	28	0	2	698
February	166	230	6	6	29	437
March	93	205	7	0	35	340
April	299	397	24	5	66	791
May	71	164	17	3	30	285
June	72	161	7	0	35	275
July	122	205	11	3	32	373
August	81	162	7	3	23	276
September	64	170	9	8	37	288
October	94	191	14	5	41	345
November	66	159	7	4	31	267
December	57	135	5	3	39	239
Total	1,498	2,534	142	40	400	4,614

* Month application was approved, not the effective date.

HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY

Monthly Eligibility Report December, 2008

A.	Medicare Eligible	2
B.	HIV +	2
C.	Eligible Individual	220
D.	Letter of Medical Eligibility	103
	1. Letter of Rejection By:	
	Alliance Insurance	1
	American Community Mutual Insurance	3
	American Family	20
	American Heritage	2
	American Medical Security Group	1
	American Republic	4
	Arise	5
	Assurant Health	21
	Atrium Health Plan	1
	Blue Cross & Blue Shield United of Wisconsin	33
	Celtic Life Insurance Company	1
	Consumer Life Insurance Company	1
	Dean Health Plan	7
	Golden Rule Insurance Company	19
	Great West Healthcare	1
	Group Health Cooperative	1
	Humana Insurance Company	31
	Mid-West National Life Insurance Company of	1
	Pekin Life Insurance	3
	Security Health Plan	7
	Trustmark	1
	United HealthCare Insurance	1
	Unity Health Plan	2
	Wisconsin Physicians Service Insurance	38
	World Insurance	1
	2. Notice of Benefit Reduction	0
	3. Notice of Premium increase due to a Health Reason	0
Total		327

**Health Insurance Risk-Sharing Plan Authority
Medical Claims Denied Report
AS OF DECEMBER 2008 MONTH END (12/29/2008)**

Processed Month	All Plans			Denial Rate
	Paid	Denied	Total	
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%
DECEMBER 2008	30,588	5,647	36,235	15.6%

Denial Reason Detail

Volume	% of Total	Reason
1000	2.76%	DUPLICATE CLAIM/SERVICE
561	1.55%	NONCOVERED SERVICES BECAUSE THIS A ROUTINE EXAM OR SCREENING PROCEDURE DONE IN CONJUNCTION OF A ROUTINE EXAM.
517	1.43%	CLAIM DENIED/REDUCED BECAUSE CHARGES HAVE BEEN PAID BY ANOTHER PAYER AS PART OF COORDINATION OF BENEFITS.
452	1.25%	SERVICES PERFORMED BY A PROVIDER WHO IS NOT MEDICAID CERTIFIED ARE NOT COVERED
429	1.18%	EXPENSE(S) INCURRED AFTER COVERAGE TERMINATED. SERVICES PROVIDED AFTER THE TERMINATION DATE, NON-COVERED
230	0.63%	THIS IS A PREEXISTING CONDITION. MEDICAL RECORDS OBTAINED FROM YOUR PROVIDER HAVE IDENTIFIED A PRE-EXISTING CONDITION.
195	0.54%	THIS PROCEDURE IS INCIDENTAL TO AND CONSIDERED PART OF THE PRIMARY PROCEDURE.
190	0.52%	THE PRIMARY SERVICE CODE INCLUDES THE OTHER SERVICES BILLED, THEREFORE, NO PAYMENT HAS BEEN ALLOWED FOR THE OTHER SERVICES.
189	0.52%	WE WILL BE ABLE TO COMPLETE PROCESSING OF THIS CLAIM WHEN WE RECEIVE THE MEDICAL RECORDS WE REQUESTED.
157	0.43%	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 December 2008 Month End (12/31/2008)**

Processed Month	Denied	% of Total
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%
December 2008	11,007	13.89%

Denial Reason Detail		
Reason	Volume	% of Total
Refill Too Soon	3,388	4.27%
Product/Service Not Covered	2,135	2.69%
Plan Limitations Exceeded	2,018	2.55%
Submit Bill to Other Processor or Primary Payer	1,068	1.35%
Missing/Invalid Dispense as Written Code (DAW)	888	1.12%
DUR Reject Error	448	0.57%
Patient is Not Covered	329	0.42%
Duplicate Paid/Captured Claim	224	0.28%
Prior Authorization Required	186	0.23%
Claim Submitted Does Not Match Prior Authorizati	50	0.06%

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 2008**

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	1
	Enrollment/Eligibility Requirements	17
	Not Covered Benefit	9
	Not Medically Necessary	3
	Plan Administration	26
	Prior Authorization	2
	Experimental Treatment	1
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Closed Prior to Committee	1
	Approved	32
	Upheld Denial	26
	Partial Approval	0
Total Grievances Received		59

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	1
	Prior Authorization	0
	Billing/Claim Processing	0
<u>Appeal Committee Decision</u>		
	Closed Prior to Committee	0
	Approved	0
	Upheld Denial	0
	Upheld Denial with IRO Rights	0
	Partial Approval	1
Total Appeals Received		1