



Financial and Policyholder Activity Report

Restated Financials
January 2009

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
JANUARY 2009 MONTHLY REPORT
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Summary Review
Un-audited HIRSP Authority Financial Statements
For the One-Month Period Ended January 31, 2009

ASSETS

Total assets increased to \$84.2 million in January 2009, increasing during the month by \$7.8 million. Assessments receivable increased from \$44,391 in December to \$12,484,981 in January due to the billing of insurer assessments for the first half of 2009. Cash assets decreased \$4.4 million or 6.3% during the month to \$66.9 million as of January 31, 2009.

Total assets year-to-date in January 2009 increased by \$4.2 million compared to January 2008 total assets, an increase of 5.2%. Cash assets year-to-date increased by \$8.1 million relative to January 2008, a 13.9% increase. Other receivables assets increased \$2.9 million relative to January 2008, which include a receivable for federal grant funds that were awarded in July 2008. Drug rebate receivables decreased \$1,099,360, however due to the new pharmacy benefit manager (PBM), rebates through January were based on the minimum contract guarantee until actual experience is available.

LIABILITIES

Total liabilities increased to \$35.6 million in January 2009, increasing during the month by \$6.6 million. Unpaid medical loss liabilities decreased by \$3.2 million in January to \$8.6 million, and unpaid drug loss liabilities increased during January by \$361,382 and equaled \$720,281. Unearned assessment liability increased \$10.6 million due to the billing of insurer assessments in January 2009, while unearned premiums decreased \$352,359. In January 2009, a portion of the federal grant was expended thus decreasing the liability \$578,203.

Total liabilities year-to-date in January 2009 decreased by \$7.4 million relative to total liabilities in January 2008, decreasing 17.1% from the prior year. Year-to-date aggregate liabilities for unpaid medical and drug claims were \$9.3 million, decreased by \$2.3 million or 19.8% compared to 2008 year-to-date aggregate claim liabilities. Year-to-date changes in liabilities include a \$1.9 million decrease in unearned premium, a \$5.0 million decrease in unearned assessments and a \$2.0 million increase in unearned federal grant funds.

CALENDAR YEAR 2009 NET INCOME

Net income for the one month ended January 31, 2009 was \$1.3 million, decreased by \$706,049 or 35.2% compared to 2008 year-to-date net income of \$2.0 million. Year-to-date 2009 changes in income and expense include decreases in premium revenues, total medical losses, administrative expenses, and increases in non-operating revenues.

Net premium revenues of \$6.9 million year-to-date through January 2009 decreased by \$1.1 million or 13.6% compared to 2008 year-to-date, primarily due to decreased HIRSP membership, enrollment changes in HIRSP benefit plans, and new rates. There were 16,330 HIRSP contracts in force as of January 31, 2009 compared to 17,070 contracts as of January 2008, the current number of contracts having decreased from the prior year by 740. Of this decrease, 512 were children who became eligible for Badgercare Plus and left HIRSP. January 2009 year-to-date total operating revenue of \$11.1 million decreased from 2008 year-to-date by \$2.5 million, or 18.2%.

Incurred medical loss expense for the one month ended January 31, 2009 was \$6.9 million, decreased by \$1.4 million or 17.2% from incurred medical losses in the one month ended January 31, 2008. Paid and approved medical losses decreased to \$11.3 million, decreased by \$3.3 million or 22.8% compared to January 2008. The 2009 year-to-date incurred medical loss expense was \$4.4 million less than the year-to-date paid and approved medical loss expense due to the effect of \$3.2 million of 2009 year-to-date decreases in estimated loss reserve liabilities.

Estimated liabilities for unpaid medical losses decreased by \$3.2 million from December 2008 through January 2009. Estimated loss reserves were reduced in January to adjust for seasonality of estimated medical losses and to adjust for changes in expected loss experience in 2009. 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 2009 year-to-date change in loss reserves resulted in a \$4.4 million decrease in incurred medical loss expense through January 2009.

Incurred pharmacy loss expense year-to-date in 2009 was \$3.0 million, reflecting a 2009 increase of \$111,314 compared to January 2008 year-to-date total pharmacy loss expense. The change is attributable to a reduction in drug rebate accruals. As previously discussed, rebates through January were based on the minimum contract guarantee until actual experience is available.

Aggregate incurred medical and pharmacy loss expense for the one month of 2009 was \$9.9 million, decreased by \$1.3 million or 11.8% compared to aggregate medical and pharmacy loss expense of \$11.2 million for the one month of 2008.

Total administrative expenses and referral fees of \$515,084 for the one month of 2009 decreased by 4.1% compared to the same period in 2008, primarily due to declining HIRSP contract counts.

Investment income for the one month ended January 31, 2009 was \$49,580, decreased by \$166,298 or 77.0% compared to the same period in 2008. The decreased investment income is due to decreased interest rate yield on cash deposits in 2009. Year-to-date 2009 total non-operating revenues are comprised of interest income, and federal grant monies of \$578,209 compared to year-to-date 2008 which was solely investment income.

CASH FLOW

Year-to-date 2009 cash flows from operating activities reflect \$6.5 million of sources of cash compared to \$4.5 million in uses of cash. Non-operating activities provided cash of \$18,731. The net change year-to-date is a \$4,459,402 decrease in cash through January 2009. The largest use of cash was payment of medical claims.

2009 OPERATING BUDGET

Relative to the 2009 operating budget for the one-month period ended January 31, 2009, actual net income of \$1.3 million exceeded budgeted net income by \$1,038,689. Actual total revenues of \$11.7 million were over budget by \$3,960. The variance in actual revenues included a \$350,395 shortfall in net premium revenues, a \$341,513 excess in provider contributions, a \$16,031 excess in grant revenue and a \$3,189 shortfall in investment income. Actual medical and pharmacy loss expenses of \$9.9 million were under budget by \$964 thousand, and administrative expenses of \$515,084 were under budget by \$70,311. Year-to-date net income was \$1.3 million as of January 31, 2009, whereas the 2009 budget projected a net loss of \$259,112.

RETAINED EQUITY

HIRSP Authority total equity increased by \$1,297,801 during the month of January 2009 and equaled \$48.6 million as of January 31, 2009. The increase in total equity resulted from January 2009 net operating gain of \$670,018 plus non operating revenues of \$627,783, which provided net income for the month of \$1,297,801.

In January 2009, policyholders' equity increased by \$1,284,438 to equal \$29.0 million, and exceeded RBC target reserves by \$18.9 million. Providers' equity increased by \$261,586 to equal \$9.9 million, and exceeded RBC target reserves by \$6.5 million. Insurers' equity decreased by \$248,223 to equal \$9.7 million, and exceeded RBC target reserves by \$6.3 million. Year-to-date through January 2009, HIRSP Authority total retained equity of \$48.6 million increased by \$1.3 million from the December 2008 year-to-date total equity of \$47.3 million.

Year-to-date through January 2009, total reported net income was \$1.3 million, and reported net retained equity increased from \$47.3 million as of December 31, 2008 to \$48.6 million as of January 31, 2009.

Health Insurance Risk-Sharing Plan Authority
January 31, 2009
Calendar Year 2009

Unaudited Balance Sheet

Assets	01/31/2009	02/28/2009	03/31/2009	04/30/2009	05/31/2009	06/30/2009	07/31/2009	08/31/2009	09/30/2009	10/31/2009	11/30/2009	12/31/2009
Cash and Cash Equivalents	66,915,789	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	3,593,057	-	-	-	-	-	-	-	-	-	-	-
Drug Rebates Receivable	1,199,514	-	-	-	-	-	-	-	-	-	-	-
Assessments Receivable	12,484,981	-	-	-	-	-	-	-	-	-	-	-
Prepaid Items	19,164	-	-	-	-	-	-	-	-	-	-	-
Net Fixed Assets	23,269	-	-	-	-	-	-	-	-	-	-	-
Total Assets	84,235,774	-	-	-	-	-	-	-	-	-	-	-
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	8,634,305	-	-	-	-	-	-	-	-	-	-	-
Unpaid Prescription Drug Loss Liabilities	720,281	-	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expense	780,000	-	-	-	-	-	-	-	-	-	-	-
Unearned Premiums	10,867,632	-	-	-	-	-	-	-	-	-	-	-
Unearned Assessments	10,598,285	-	-	-	-	-	-	-	-	-	-	-
Unearned Federal Grant	1,982,966	-	-	-	-	-	-	-	-	-	-	-
Accounts Payable and Other Accrued Liabilities	13,911,929	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	47,495,398	-	-	-	-	-	-	-	-	-	-	-
Fund Equity:												
Policyholder	17,153,474	-	-	-	-	-	-	-	-	-	-	-
Providers	9,872,183	-	-	-	-	-	-	-	-	-	-	-
Insurers	9,714,719	-	-	-	-	-	-	-	-	-	-	-
Total Retained Earnings	36,740,376	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Equity	84,235,774	-	-	-	-	-	-	-	-	-	-	-

Health Insurance Risk-Sharing Plan Authority
for the Period Ended January 31, 2009
Calendar Year 2009

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	7,442,150	-	-	-	-	-	-	-	-	-	-	-	7,442,150
Premium Subsidized	(574,590)	-	-	-	-	-	-	-	-	-	-	-	(574,590)
Net Premium Revenues	6,867,560	-	-	-	-	-	-	-	-	-	-	-	6,867,560
Provider Contribution	2,352,115	-	-	-	-	-	-	-	-	-	-	-	2,352,115
Insurer Assessments	1,842,305	-	-	-	-	-	-	-	-	-	-	-	1,842,305
Total Operating Revenues	11,061,980	-	-	-	-	-	-	-	-	-	-	-	11,061,980
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	11,322,260	-	-	-	-	-	-	-	-	-	-	-	11,322,260
Increase (Decrease) in Unpaid Losses	(4,459,904)	-	-	-	-	-	-	-	-	-	-	-	(4,459,904)
Deductible Subsidy Paid	46,339	-	-	-	-	-	-	-	-	-	-	-	46,339
Total Medical Losses	6,908,695	-	-	-	-	-	-	-	-	-	-	-	6,908,695
Pharmacy Losses:													
Losses Paid or Approved for Payment	2,701,745	-	-	-	-	-	-	-	-	-	-	-	2,701,745
Increase (Decrease) in Unpaid Losses	361,382	-	-	-	-	-	-	-	-	-	-	-	361,382
Drug Rebates	(101,235)	-	-	-	-	-	-	-	-	-	-	-	(101,235)
Subsidy - Coinsurance Out-of-Pocket Max	6,291	-	-	-	-	-	-	-	-	-	-	-	6,291
Total Pharmacy Losses	2,968,183	-	-	-	-	-	-	-	-	-	-	-	2,968,183
Total Losses	9,876,878	-	-	-	-	-	-	-	-	-	-	-	9,876,878
Loss Adjustment Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Expenses													
Authority Admin Fees	47,772	-	-	-	-	-	-	-	-	-	-	-	47,772
WPS Admin Fees	342,421	-	-	-	-	-	-	-	-	-	-	-	342,421
Pharmacy Benefits Manager Admin Fees	74,828	-	-	-	-	-	-	-	-	-	-	-	74,828
Milliman USA Actuarial Services	14,913	-	-	-	-	-	-	-	-	-	-	-	14,913
Disease Management Services	26,900	-	-	-	-	-	-	-	-	-	-	-	26,900
Other Admin Fees	3,500	-	-	-	-	-	-	-	-	-	-	-	3,500
Referral fees	4,750	-	-	-	-	-	-	-	-	-	-	-	4,750
Total Administrative Expenses	515,084	-	-	-	-	-	-	-	-	-	-	-	515,084
Total Operating Expenses	10,391,962	-	-	-	-	-	-	-	-	-	-	-	10,391,962
Net Operating Income (Loss)	670,018	-	-	-	-	-	-	-	-	-	-	-	670,018
Non-Operating Revenues (Expenses)													
Federal Grant - Disease Management	26,900	-	-	-	-	-	-	-	-	-	-	-	26,900
Federal Grant - Low Income Subsidy	551,303	-	-	-	-	-	-	-	-	-	-	-	551,303
Investment Income	49,580	-	-	-	-	-	-	-	-	-	-	-	49,580
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to Policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	627,783	-	-	-	-	-	-	-	-	-	-	-	627,783
Net Income (Loss)	1,297,801	-	-	-	-	-	-	-	-	-	-	-	1,297,801
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	15,869,036	-	-	-	-	-	-	-	-	-	-	-	15,869,036
Current Earnings	1,284,438	-	-	-	-	-	-	-	-	-	-	-	1,284,438
Retained Earnings, End of Period	17,153,474	-	-	-	-	-	-	-	-	-	-	-	17,153,474
RBC Target Reserves	(10,107,074)	-	-	-	-	-	-	-	-	-	-	-	(10,107,074)
Retained Earnings in Excess of RBC	7,046,400	-	-	-	-	-	-	-	-	-	-	-	7,046,400
Providers													
Retained Earnings, Beginning of Period	9,610,597	-	-	-	-	-	-	-	-	-	-	-	9,610,597
Current Earnings	261,586	-	-	-	-	-	-	-	-	-	-	-	261,586
Retained Earnings, End of Period	9,872,183	-	-	-	-	-	-	-	-	-	-	-	9,872,183
RBC Target Reserves	(3,369,025)	-	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	6,503,158	-	-	-	-	-	-	-	-	-	-	-	6,503,158
Insurers													
Retained Earnings, Beginning of Period	9,962,942	-	-	-	-	-	-	-	-	-	-	-	9,962,942
Current Earnings	(248,223)	-	-	-	-	-	-	-	-	-	-	-	(248,223)
Retained Earnings, End of Period	9,714,719	-	-	-	-	-	-	-	-	-	-	-	9,714,719
RBC Target Reserves	(3,369,025)	-	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	6,345,694	-	-	-	-	-	-	-	-	-	-	-	6,345,694
Retained Earnings, End of Period	36,740,376	-	-	-	-	-	-	-	-	-	-	-	36,740,376
RBC Target Reserves	(16,845,124)	-	-	-	-	-	-	-	-	-	-	-	(16,845,124)
Retained Earnings in Excess of RBC	19,895,252	-	-	-	-	-	-	-	-	-	-	-	19,895,252

**Health Insurance Risk-Sharing Plan Authority
Calendar Financial Statement Reconciliation
January 2009**

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	Month of January 2009	YTD Through January 2009
<u>Sources of Cash</u>		
Cash received for premiums	6,497,382	6,497,382
Cash received for assessments	-	-
Total Operating Sources	6,497,382	6,497,382
<u>Uses of Cash</u>		
Cash payments for medical losses	(7,646,241)	(7,646,241)
Cash payments for pharmacy losses	(2,617,120)	(2,617,120)
Cash payments for referral fees	(4,130)	(4,130)
Cash payments for other expenses	(708,024)	(708,024)
Total Operating Uses	(10,975,515)	(10,975,515)
Net Cash Provided (Used) by Operating Activities	(4,478,133)	(4,478,133)

Cash Flows from Non-Operating Activities		
Cash received from investment income	68,310	68,310
Cash received from federal grant	-	-
Cash received for miscellaneous income	-	-
Cash Distribution to Policyholders	-	-
Net Cash Provided/(Used) by Non-Operating Activities	68,310	68,310

Cash and Cash Equivalents		
Net Increase (Decrease) in cash equivalents	(4,409,823)	(4,409,823)
Cash and cash equivalents, beginning of period	71,325,612	71,325,612
Cash and Equivalents, End of Period	66,915,789	66,915,789

RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS

Net income (loss) from operations	670,018	670,018
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Adjustments to Reconcile Net Operating Income to Net Cash Provided By Operating Activities

Changes in assets and liabilities:		
Decrease (increase) in receivables	(12,274,035)	(12,274,035)
Decrease (increase) in prepaids	(5,134)	(5,134)
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	10,405,885	10,405,885
Increase (decrease) in liability for unearned premiums	(340,325)	(340,325)
Increase (decrease) in liability for medical loss liabilities	(3,039,930)	(3,039,930)
Increase (decrease) in liability for pharmacy loss liabilities	105,388	105,388
Other adjustments	-	-
Total adjustments	(5,148,151)	(5,148,151)
Net Cash Provided/(Used) by Operating Activities	(4,478,133)	(4,478,133)

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 2009

Operating Revenues	January 2009	December 2008	Variance	Year-to-Date Through January 2009	Year-to-Date Through January 2008	Variance
Gross Premiums	7,442,150	7,800,809	(358,659)	7,442,150	8,531,568	(1,089,418)
Premium Subsidized	(574,590)	(575,287)	697	(574,590)	(580,275)	5,685
Net Premium Revenues	<u>6,867,560</u>	<u>7,225,522</u>	<u>(357,962)</u>	<u>6,867,560</u>	<u>7,951,293</u>	<u>(1,083,733)</u>
Provider Contribution	2,352,115	3,495,984	(1,143,869)	2,352,115	2,921,441	(569,326)
Insurer Assessments	1,842,305	4,027,152	(2,184,847)	1,842,305	2,651,090	(808,785)
Total Operating Revenues	<u>11,061,980</u>	<u>14,748,658</u>	<u>(3,686,678)</u>	<u>11,061,980</u>	<u>13,523,824</u>	<u>(2,461,844)</u>
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	11,322,260	10,926,096	396,164	11,322,260	14,669,923	(3,347,663)
Increase (Decrease) in Unpaid Losses	(4,459,904)	(19,314)	(4,440,590)	(4,459,904)	(6,376,711)	1,916,807
Deductible Subsidy Paid	46,339	37,487	8,852	46,339	48,433	(2,094)
Total Medical Losses	<u>6,908,695</u>	<u>10,944,269</u>	<u>(4,035,574)</u>	<u>6,908,695</u>	<u>8,341,645</u>	<u>(1,432,950)</u>
Pharmacy Losses:						
Losses Paid or Approved for Payment	2,701,745	3,497,937	(796,192)	2,701,745	3,409,385	(707,640)
Increase (Decrease) in Unpaid Losses	361,382	(730,991)	1,092,373	361,382	(266,155)	627,537
Drug Rebates	(101,235)	(272,691)	171,456	(101,235)	(286,361)	185,126
Subsidy - Coinsurance Out-of-Pocket Max	6,291	90,465	(84,174)	6,291	-	6,291
Total Pharmacy Losses	<u>2,968,183</u>	<u>2,584,720</u>	<u>383,463</u>	<u>2,968,183</u>	<u>2,856,869</u>	<u>111,314</u>
Total Losses	9,876,878	13,528,989	(3,652,111)	9,876,878	11,198,514	(1,321,636)
Loss Adjustment Expenses	-	10,000	10,000	-	-	-
Administrative expenses						
Authority Admin Fees	47,772	65,239	(17,467)	47,772	55,689	(7,917)
WPS Admin Fees	342,421	522,953	(180,532)	342,421	355,393	(12,972)
Pharmacy Benefits Manager Admin Fees	74,828	94,062	(19,234)	74,828	93,885	(19,057)
Milliman USA Actuarial Services	14,913	19,999	(5,086)	14,913	22,000	(7,087)
Disease Management Services	26,900	18,167	8,733	26,900	-	26,900
Other Admin Fees And Expenses	3,500	15,132	(11,632)	3,500	5,226	(1,726)
Referral fees	4,750	3,885	865	4,750	5,145	(395)
Total Administrative Expenses	<u>515,084</u>	<u>739,437</u>	<u>(224,353)</u>	<u>515,084</u>	<u>537,338</u>	<u>(22,254)</u>
Total Operating Expenses	<u>10,391,962</u>	<u>14,278,426</u>	<u>(3,866,464)</u>	<u>10,391,962</u>	<u>11,735,852</u>	<u>(1,343,890)</u>
Net Operating Income (Loss)	<u>670,018</u>	<u>470,232</u>	<u>179,786</u>	<u>670,018</u>	<u>1,787,972</u>	<u>(1,117,954)</u>
Non-Operating Revenues (Expenses)						
Federal Grant - Disease Management	26,900	-	26,900	26,900	-	26,900
Federal Grant - Low Income Subsidy	551,303	-	551,303	551,303	-	551,303
Investment Income	49,580	(4,774)	54,354	49,580	215,878	(166,298)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	-	(11,892,065)	11,892,065	-	-	-
Total Non-operating Revenues (Expenses)	<u>627,783</u>	<u>(11,896,839)</u>	<u>12,524,622</u>	<u>627,783</u>	<u>215,878</u>	<u>411,905</u>
Net Income (Loss)	<u>1,297,801</u>	<u>(11,426,607)</u>	<u>12,704,408</u>	<u>1,297,801</u>	<u>2,003,850</u>	<u>(706,049)</u>

Health Insurance Risk-Sharing Plan Authority
Comparison of Budget Vs. Actual
Unaudited Statement of Revenues, Expenses, and Changes in Retained Earnings
Calendar Year 2009

	January 2009 Budget	January 2009 Actual	Variance	Year-to-Date Through January 2009 Budget	Year-to-Date Through January 2009 Actual	Variance
Operating Revenues						
Gross Premiums	7,747,902	7,442,150	(305,752)	7,747,902	7,442,150	(305,752)
Premium Subsidized	(529,947)	(574,590)	(44,643)	(529,947)	(574,590)	(44,643)
Net Premium Revenues	7,217,955	6,867,560	(350,395)	7,217,955	6,867,560	(350,395)
Provider Contribution	2,010,602	2,352,115	341,513	2,010,602	2,352,115	341,513
Insurer Assessments	1,842,305	1,842,305	-	1,842,305	1,842,305	-
Total Operating Revenues	11,070,862	11,061,980	(8,882)	11,070,862	11,061,980	(8,882)
Operating Expenses						
Medical and Pharmacy Losses:	10,790,569	9,824,248	966,321	10,790,569	9,824,248	966,321
Deductible Subsidy/RX OOP Max	50,727	52,630	(1,903)	50,727	52,630	(1,903)
Total Medical and Pharmacy Losses	10,841,296	9,876,878	964,418	10,841,296	9,876,878	964,418
Loss Adjustment Expenses	-	-	-	-	-	-
Total Administrative Expenses	585,395	515,084	70,311	585,395	515,084	70,311
Total Operating Expenses	11,426,691	10,391,962	1,034,729	11,426,691	10,391,962	1,034,729
Net Operating Income (Loss)	(355,829)	670,018	1,025,847	(355,829)	670,018	1,025,847
Non-Operating Revenues (Expenses)						
Federal Grant - Disease Management	32,225	26,900	(5,325)	32,225	26,900	(5,325)
Federal Grant - Low Income Subsidy	529,947	551,303	21,356	529,947	551,303	21,356
Investment Income	52,769	49,580	(3,189)	52,769	49,580	(3,189)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	614,941	627,783	12,842	614,941	627,783	12,842
Net Income (Loss)	259,112	1,297,801	1,038,689	259,112	1,297,801	1,038,689

Health Insurance Risk-Sharing Plan Authority
 Calendar Year 2009 Interim Reconciliation
 As of January 31, 2009

	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	11,322,260	-	-	-	-	-	-	-	-	-	-	-	11,322,260
Increase (Decrease) in Unpaid Medical Losses	(4,459,904)	-	-	-	-	-	-	-	-	-	-	-	(4,459,904)
Pharmacy Losses Paid or Approved for Payment	2,701,745	-	-	-	-	-	-	-	-	-	-	-	2,701,745
Increase (Decrease) in Unpaid Pharmacy Losses	361,382	-	-	-	-	-	-	-	-	-	-	-	361,382
Drug Rebates	(101,235)	-	-	-	-	-	-	-	-	-	-	-	(101,235)
Total Administrative Expenses	515,084	-	-	-	-	-	-	-	-	-	-	-	515,084
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating and Administrative Costs	10,339,332	-	-	-	-	-	-	-	-	-	-	-	10,339,332
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	49,580	-	-	-	-	-	-	-	-	-	-	-	49,580
Federal Grant used for Disease Management Services	26,900	-	-	-	-	-	-	-	-	-	-	-	26,900
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	10,262,852	-	-	-	-	-	-	-	-	-	-	-	10,262,852
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	6,157,712	-	-	-	-	-	-	-	-	-	-	-	6,157,712
20% Providers	2,052,570	-	-	-	-	-	-	-	-	-	-	-	2,052,570
20% Insurers	2,052,570	-	-	-	-	-	-	-	-	-	-	-	2,052,570
5. Subsidy Funding Shares													
Premium subsidies	574,590	-	-	-	-	-	-	-	-	-	-	-	574,590
Deductible Subsidies	46,339	-	-	-	-	-	-	-	-	-	-	-	46,339
Subsidy - coinsurance out-of-pocket Max	6,291	-	-	-	-	-	-	-	-	-	-	-	6,291
Total Subsidies	627,220	-	-	-	-	-	-	-	-	-	-	-	627,220
Federal Grant Funds Applied to Low Income Subsidies	(551,303)	-	-	-	-	-	-	-	-	-	-	-	(551,303)
Net Subsidy Funding Needed	75,917	-	-	-	-	-	-	-	-	-	-	-	75,917
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	37,959	-	-	-	-	-	-	-	-	-	-	-	37,959
Insurers	37,958	-	-	-	-	-	-	-	-	-	-	-	37,958
	75,917	-	-	-	-	-	-	-	-	-	-	-	75,917
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	6,157,712	-	-	-	-	-	-	-	-	-	-	-	6,157,712
Providers	2,090,529	-	-	-	-	-	-	-	-	-	-	-	2,090,529
Insurers	2,090,528	-	-	-	-	-	-	-	-	-	-	-	2,090,528
7. Operating Revenues by Source													
Policyholders													
Premium	6,867,560	-	-	-	-	-	-	-	-	-	-	-	6,867,560
Premium and Deductible Subsidies Credited to Policyholders	574,590	-	-	-	-	-	-	-	-	-	-	-	574,590
Subtotal	7,442,150	-	-	-	-	-	-	-	-	-	-	-	7,442,150
Providers	2,352,115	-	-	-	-	-	-	-	-	-	-	-	2,352,115
Insurers	1,842,305	-	-	-	-	-	-	-	-	-	-	-	1,842,305
Total	11,636,570	-	-	-	-	-	-	-	-	-	-	-	11,636,570

(cont)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
(cont)													
8. Interim Estimate of Surplus/(Deficit) Account Balance for 2009													
Policyholders													
Prior Period Surplus / (Deficit)	15,869,036	-	-	-	-	-	-	-	-	-	-	-	15,869,036
Premium (Including Premium and Deductible Subsidies)	7,442,150	-	-	-	-	-	-	-	-	-	-	-	7,442,150
Less Cost	6,157,712	-	-	-	-	-	-	-	-	-	-	-	6,157,712
Less Distribution to Policyholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Monthly Change	1,284,438	-	-	-	-	-	-	-	-	-	-	-	1,284,438
Ending Surplus / (Deficit)	17,153,474	-	-	-	-	-	-	-	-	-	-	-	17,153,474
Policyholders's RBC Target Reserves	(10,107,074)	-	-	-	-	-	-	-	-	-	-	-	(10,107,074)
Ending Surplus / (Deficit) Net of RBC Reserves	7,046,400	-	-	-	-	-	-	-	-	-	-	-	7,046,400
Providers													
Prior Period Surplus / (Deficit)	9,610,597	-	-	-	-	-	-	-	-	-	-	-	9,610,597
Contribution	2,352,115	-	-	-	-	-	-	-	-	-	-	-	2,352,115
Less Cost	2,090,529	-	-	-	-	-	-	-	-	-	-	-	2,090,529
Monthly Change	261,586	-	-	-	-	-	-	-	-	-	-	-	261,586
Ending Surplus / (Deficit)	9,872,183	-	-	-	-	-	-	-	-	-	-	-	9,872,183
Provider's RBC Target Reserves	(3,369,025)	-	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	6,503,158	-	-	-	-	-	-	-	-	-	-	-	6,503,158
Insurers													
Prior Period Surplus / (Deficit)	9,962,942	-	-	-	-	-	-	-	-	-	-	-	9,962,942
Assessment	1,842,305	-	-	-	-	-	-	-	-	-	-	-	1,842,305
Less Cost	2,090,528	-	-	-	-	-	-	-	-	-	-	-	2,090,528
Monthly Change	(248,223)	-	-	-	-	-	-	-	-	-	-	-	(248,223)
Ending Surplus / (Deficit)	9,714,719	-	-	-	-	-	-	-	-	-	-	-	9,714,719
Insurer's RBC Target Reserves	(3,369,025)	-	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	6,345,694	-	-	-	-	-	-	-	-	-	-	-	6,345,694
Total HIRSP Retained Earnings	36,740,376	-	-	-	-	-	-	-	-	-	-	-	36,740,376
Total RBC Target Reserves	(16,845,124)	-	-	-	-	-	-	-	-	-	-	-	(16,845,124)
Total Retained Earnings in Excess of RBC Target Reserves	19,895,252	-	-	-	-	-	-	-	-	-	-	-	19,895,252

Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of January 2009 Month End (01/28/2009)

Provider Contribution Calculation for the Current Month - Claims by Claim Type						
Claims Incurred 1/1/2008 and After			HIRSP			
Claim Type	Billed Charges		Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ 8,559,249.01		\$ 4,707,536.88	\$ 3,481,273.88	\$ 1,226,263.00	\$ 2,215,740.45
Hospital Outpatient	\$ 5,850,607.96		\$ 4,121,301.59	\$ 3,011,295.96	\$ 1,110,005.63	\$ 2,360,584.49
Hospital Inpatient	\$ 6,795,415.97		\$ 4,002,600.41	\$ 2,894,171.18	\$ 1,108,429.23	\$ 2,737,166.64
Nursing Home	\$ 25,780.91		\$ 22,899.43	\$ 16,287.74	\$ 6,611.69	\$ 16,049.60
Other	\$ 913,736.96		\$ 604,089.19	\$ 457,312.17	\$ 146,777.02	\$ 292,793.88
Total	\$ 22,144,790.81		\$ 13,458,427.50	\$ 9,860,340.93	\$ 3,598,086.57	\$ 7,622,335.06

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Total	\$ (6,950.48)	28.5%	\$ (4,969.59)	\$ (21,837.60)	\$ 16,868.01	\$ (13,673.70)

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ (1,262,840.00)
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Total Provider Contribution	\$ 2,352,114.58
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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:

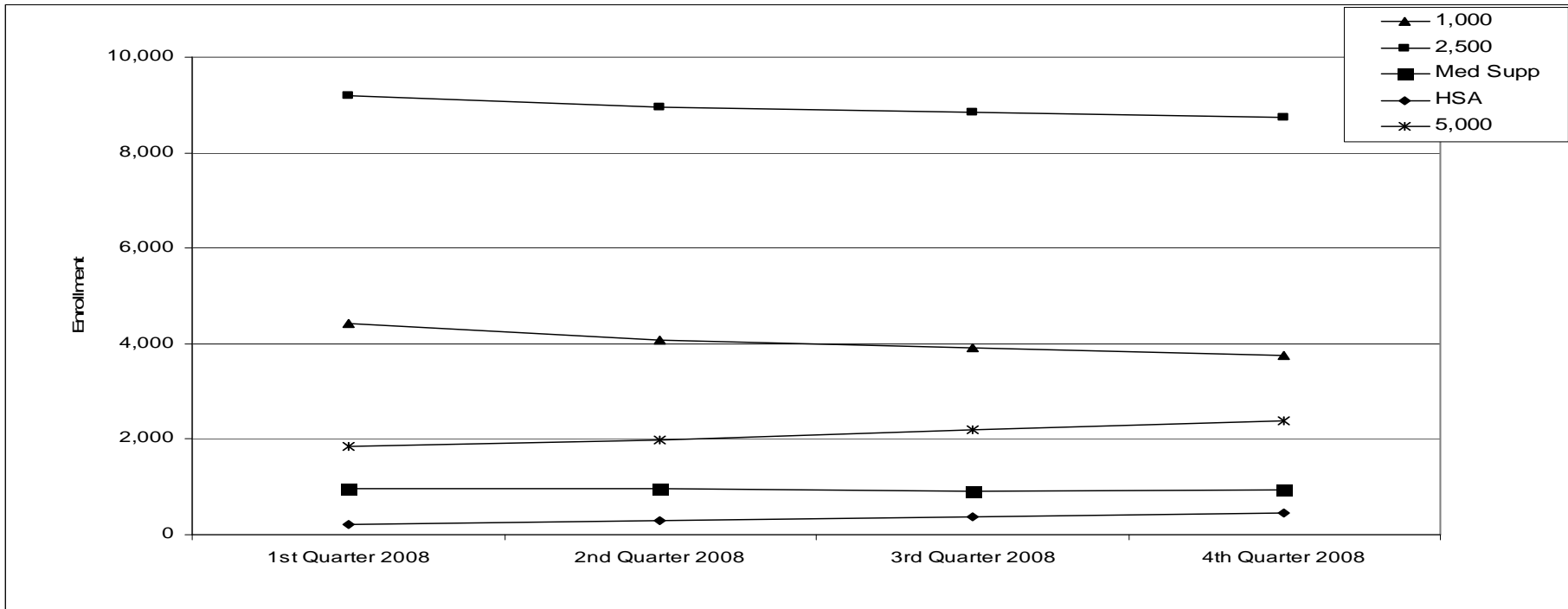
Loss Ratio = Incurred Claims / Earned Premiums
 Earned Premium includes Premium Subsidies
 Incurred Claims include Provider Contributions
 Administrative Expenses are not included in this exhibit
 Incurred Claims and Earned Premiums are updated quarterly and restated to reflect
 the most current information available as of December 31, 2008

**Health Insurance Risk-Sharing Plan Authority
Enrollment as of Last Day of the Quarter**

January 31, 2009
16,330

January 31, 2008
17,070

Plan	1st Quarter 2008	2nd Quarter 2008	3rd Quarter 2008	4th Quarter 2008	1st Quarter 2009	2nd Quarter 2009	3rd Quarter 2009	4th Quarter 2009
1,000	4,422	4,086	3,909	3,762				
2,500	9,206	8,951	8,842	8,747				
Med Supp	967	953	910	944				
HSA	213	301	381	454				
5,000	1,854	1,993	2,200	2,377				
Total	16,662	16,284	16,242	16,284				



**Health Insurance Risk-Sharing Plan Authority
Subsidy Report
Jan-09**

Total Subsidy by Plan			
Plan		Number of Policyholders	% of Total
HIRSP 1,000	Non-subsidized	1,715	10.5%
	Subsidized	1,055	6.5%
	Total	2,770	17.0%
HIRSP 2,500	Non-subsidized	7,231	44.3%
	Subsidized	1,692	10.4%
	Total	8,923	54.6%
HIRSP Medicare Supplement	Non-subsidized	576	3.5%
	Subsidized	364	2.2%
	Total	940	5.8%
HIRSP Health Savings Account	Non-subsidized	478	2.9%
	Subsidized	54	0.3%
	Total	532	3.3%
HIRSP 5,000	Non-subsidized	2,562	15.7%
	Subsidized	603	3.7%
	Total	3,165	19.4%
Non-subsidized Total		12,562	76.9%
Subsidized Total		3,768	23.1%
Grand Total		16,330	100.0%

Total Subsidy by Household Income		
Household Income	Number of Policyholders	% of Total
\$30,000 - \$32,999	199	5.3%
\$25,000 - \$29,999	374	9.9%
\$20,000 - \$24,999	662	17.6%
\$17,000 - \$19,999	401	10.6%
\$14,000 - \$16,999	365	9.7%
\$10,000 - \$13,999	532	14.1%
\$9,999 Under	1,235	32.8%
Total	3,768	100.0%

**Health Insurance Risk-Sharing Plan Authority
Summary of Monthly Applicant Activity
January, 2009**

Summary of Monthly Application Activity	
Number of Applications Pending December	164
Number of Applications Received January	511
Number of Applications Rejected January	41
Number of Applications Closed January	93
Number of Applications Pending January	229
Number of Applications Approved January	312

Detail of Applications Rejected	
65 or older	0
Current Medicaid Coverage	0
Currently covered by other insurance	2
Did not qualify for lost employer coverage.	5
Eligible for Group Health Coverage	34
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	0
Previous HIRSP <12 Months Ago	0
Total	41

Detail of Applications Closed	
Applicant Request	11
Application Data requested; never received	18
Proper eligibility requested; never received	64
Total	93

Applications Approved in 2009*						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	19	147	4	28	100	298
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	19	147	4	28	100	298

Disenrollment in 2009						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	122	227	25	4	62	440
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	122	227	25	4	62	440

* Month application was approved, not the effective date.

HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY

Monthly Eligibility Report January, 2009

A.	Medicare Eligible	3
B.	HIV +	2
C.	Eligible Individual	212
D.	Letter of Medical Eligibility	95
	1. <i>Letter of Rejection By:</i>	
	<i>American Community Mutual Insurance</i>	2
	<i>American Family</i>	11
	<i>American Medical Security Group</i>	1
	<i>American Republic</i>	1
	<i>Arise</i>	5
	<i>Assurant Health</i>	14
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	37
	<i>Celtic Life Insurance Company</i>	3
	<i>Consumer Life Insurance Company</i>	1
	<i>Fortis Benefits Insurance</i>	1
	<i>Golden Rule Insurance Company</i>	10
	<i>Humana Insurance Company</i>	41
	<i>John Alden Life Insurance</i>	2
	<i>Mega Life and Health Insurance</i>	6
	<i>Pekin Life Insurance</i>	1
	<i>Physicians Mutual Insurance Company</i>	1
	<i>Security Health Plan</i>	3
	<i>United HealthCare Insurance</i>	2
	<i>Unity Health Plan</i>	1
	<i>Wisconsin Physicians Service Insurance</i>	44
	<i>World Insurance</i>	1
	2. <i>Notice of Benefit Reduction</i>	0
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		312
Eligible individual as percent of total enrollment		68%

**Health Insurance Risk-Sharing Plan
Appeals and Grievances
January 2009**

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	1
	Enrollment/Eligibility Requirements	19
	Not Covered Benefit	8
	Not Medically Necessary	6
	Plan Administration	30
	Prior Authorization	3
	Experimental Treatment	1
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Closed Prior to Committee	2
	Approved	20
	Upheld Denial	46
	Partial Approval	0
Total Grievances Received		68

Appeal

<u>Type of Appeal</u>		<u># of Appeal</u>
	Drug & Drug Formulary	0
	Enrollment/Eligibility Requirements	1
	Experimental Treatment	0
	Not Medically Necessary	0
	Plan Administration	6
	Not Covered Benefit	2
	Prior Authorization	0
	Billing/Claim Processing	0
<u>Appeal Committee Decision</u>		
	Closed Prior to Committee	0
	Approved	4
	Upheld Denial	5
	Upheld Denial with IRO Rights	0
	Partial Approval	0
Total Appeals Received		9