



Financial and Policyholder Activity Report

February 2009

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY
FEBRUARY 2009 MONTHLY REPORT
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Summary Review
Un-audited HIRSP Authority Financial Statements
For the Two-Month Period Ended February 28, 2009

ASSETS

Total assets decreased to \$79.0 million in February 2009, decreasing during the month by \$5.3 million. Assessments receivable decreased from \$12.5 million in January to \$7.3 million in February due to the collection of insurer assessments for the first half of 2009. Cash assets increased \$450 thousand or 0.7% during the month to \$67.3 million as of February 28, 2009.

Total assets year-to-date in February 2009 increased by \$4.2 million compared to February 2008 total assets, an increase of 5.6%. Cash assets year-to-date increased by \$7.8 million relative to February 2008, a 13.1% increase. Other receivables assets increased \$2.7 million relative to February 2008, which include a receivable for federal grant funds that were awarded in July 2008. Drug rebate receivables decreased \$961 thousand, however due to the new pharmacy benefit manager (PBM), rebates through February were based on the minimum contract guarantee until actual experience is available. Assessments receivable decreased \$5.4 million due to the lower insurer assessment amounts billed in 2009.

LIABILITIES

Total liabilities decreased to \$28.1 million in February 2009, decreasing during the month by \$7.5 million. Unpaid medical loss liabilities decreased by \$568 thousand in February to just under \$8.1 million, and unpaid drug loss liabilities decreased during February by \$308 thousand and equaled \$412,296. Unearned assessment liability decreased \$1.9 million while unearned premiums decreased \$4.0 million. In February 2009, a portion of the federal grant was expended thus decreasing the liability \$595 thousand.

Total liabilities year-to-date in February 2009 decreased by \$5.7 million relative to total liabilities in February 2008, decreasing 16.8% from the prior year. Year-to-date aggregate liabilities for unpaid medical and drug claims were \$8.5 million, decreased by \$1.9 million or 18.6% compared to 2008 year-to-date aggregate claim liabilities. Year-to-date changes in liabilities include a \$1.0 million decrease in unearned premium, a \$4.1 million decrease in unearned assessments and a \$1.4 million increase in unearned federal grant funds.

CALENDAR YEAR 2009 NET INCOME

Net income for the two months ended February 28, 2009 was \$3.5 million, decreased by \$2.4 million or 40.7% compared to 2008 year-to-date net income of \$5.9 million. Year-to-date 2009 changes in income and expense include decreases in premium revenues, provider contribution, insurer assessments, total medical losses, administrative expenses, and increases in non-operating revenues.

Net premium revenues of \$13.9 million year-to-date through February 2009 decreased by \$2.2 million or 13.8% compared to 2008 year-to-date, primarily due to decreased HIRSP membership, enrollment changes in HIRSP benefit plans, and new rates. There were 16,277 HIRSP contracts in force as of February 29, 2009 compared to 16,852 contracts as of February 2008, the current number of contracts having decreased from the prior year by 575. Of this decrease, 512 were children who became eligible for Badgercare Plus and left HIRSP. February 2009 year-to-date total operating revenue of \$21.8 million decreased from 2008 year-to-date by \$5.3 million, or 19.7%.

Incurred medical loss expense for the two months ended February 28, 2009 was \$13.2 million, decreased by \$1.7 million or 11.3% from incurred medical losses for the two months ended February 29, 2008. Paid and approved medical losses decreased to \$18.3 million, decreased by \$4.6 million or 20.0% compared to February 2008.

Estimated liabilities for unpaid medical losses decreased by \$3.8 million from December 2008 through February 2009. Estimated loss reserves were reduced in February 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 \$5.1 million decrease in incurred medical loss expense through February 2009.

Incurred pharmacy loss expense year-to-date in 2009 was \$5.3 million, reflecting a 2009 decrease of \$308 thousand compared to February 2008 year-to-date total pharmacy loss expense. The change is attributable to a reduction in drug claims paid as well as a reduction in drug rebate accruals. As previously discussed, rebates through February were based on the minimum contract guarantee until actual experience is available. Aggregate incurred medical and pharmacy loss expense for the two months of 2009 was \$18.5 million, decreased by \$2.0 million or 9.7% compared to aggregate medical and pharmacy loss expense of \$20.5 million for the two months of 2008.

Total administrative expenses and referral fees of \$1.0 million for the two months of 2009 decreased by 1.0% compared to the same period in 2008, primarily due to declining HIRSP contract counts.

Investment income for the two months ended February 28, 2009 was \$90,334, decreased by \$262,544 or 74.0% 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 \$1.1 million compared to year-to-date 2008 which was solely investment income.

CASH FLOW

Year-to-date 2009 cash flows from operating activities reflect \$14.9 million of sources of cash compared to \$19.0 million in uses of cash. Non-operating activities provided cash of \$59,484. The net change year-to-date is a \$4.0 million decrease in cash through February 2009. The largest use of cash was payment of medical claims.

2009 OPERATING BUDGET

Relative to the 2009 operating budget for the two-month period ended February 28, 2009, actual net income of \$3.5 million exceeded budgeted net income by \$3.1 million. Actual total revenues of \$23.0 million were short of budget by \$409 thousand. The variance in actual revenues included a \$569 thousand shortfall in net premium revenues, a \$126 thousand excess in provider contributions, a \$49 thousand excess in grant revenue and a \$15 thousand shortfall in investment income. Actual medical and pharmacy loss expenses of \$18.5 million were under budget by \$3.4 million, and administrative expenses of \$1.0 million were under budget by \$140 thousand. Year-to-date net income was \$3.5 million as of February 28, 2009, whereas the 2009 budget projected a net income of \$438,086.

RETAINED EQUITY

HIRSP Authority total equity increased by \$2,228,472 during the month of February 2009 and equaled \$50.8 million as of February 28, 2009. The increase in total equity resulted from February 2009 net operating gain of \$1,592,077 plus non operating revenues of \$636,395, which provided net income for the month of \$2,228,472.

In February 2009, policyholders' equity increased by \$2,226,134 to equal \$31.3 million, and exceeded RBC target reserves by \$21.2 million. Providers' equity decreased by \$29,490 to equal \$9.8 million, and exceeded RBC target reserves by \$6.5 million. Insurers' equity increased by \$31,828 to equal \$9.7 million, and exceeded RBC target reserves by \$6.4 million. Year-to-date through February 2009, HIRSP Authority total retained equity of \$50.8 million increased by \$3.5 million from the December 2008 year-to-date total equity of \$47.3 million.

Year-to-date through February 2009, total reported net income was \$3.5 million, and reported net retained equity increased from \$47.3 million as of December 31, 2008 to \$50.8 million as of February 28, 2009.

Health Insurance Risk-Sharing Plan Authority
February 28, 2009
Calendar Year 2009

Unaudited Balance Sheet

Assets	01/31/2009	02/29/2009	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	66,866,210	67,316,261	-	-	-	-	-	-	-	-	-	-
Other Receivables	3,642,636	3,284,138	-	-	-	-	-	-	-	-	-	-
Drug Rebates Receivable	1,199,514	1,045,073	-	-	-	-	-	-	-	-	-	-
Assessments Receivable	12,484,981	7,286,497	-	-	-	-	-	-	-	-	-	-
Prepaid Items	19,164	15,445	-	-	-	-	-	-	-	-	-	-
Net Fixed Assets	23,269	23,902	-	-	-	-	-	-	-	-	-	-
Total Assets	84,235,774	78,971,316	-	-	-	-	-	-	-	-	-	-
Liabilities and Fund Equity												
Liabilities:												
Unpaid Medical Loss Liabilities	8,634,305	8,066,412	-	-	-	-	-	-	-	-	-	-
Unpaid Prescription Drug Loss Liabilities	720,281	412,296	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expense	780,000	780,000	-	-	-	-	-	-	-	-	-	-
Unearned Premiums	10,867,632	6,839,291	-	-	-	-	-	-	-	-	-	-
Unearned Assessments	10,598,285	8,716,737	-	-	-	-	-	-	-	-	-	-
Unearned Federal Grant	1,982,966	1,387,325	-	-	-	-	-	-	-	-	-	-
Accounts Payable and Other Accrued Liabilities	2,019,864	1,908,342	-	-	-	-	-	-	-	-	-	-
Total Liabilities	35,603,333	28,110,403	-	-	-	-	-	-	-	-	-	-
Fund Equity:												
Policyholder	29,045,539	31,271,673	-	-	-	-	-	-	-	-	-	-
Providers	9,872,183	9,842,693	-	-	-	-	-	-	-	-	-	-
Insurers	9,714,719	9,746,547	-	-	-	-	-	-	-	-	-	-
Total Retained Earnings	48,632,441	50,860,913	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Equity	84,235,774	78,971,316	-	-	-	-	-	-	-	-	-	-

**Health Insurance Risk-Sharing Plan Authority
for the Period Ended February 28, 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	7,601,512	-	-	-	-	-	-	-	-	-	-	15,043,662
Premium Subsidized	(574,590)	(592,579)	-	-	-	-	-	-	-	-	-	-	(1,167,169)
Net Premium Revenues	6,867,560	7,008,933	-	-	-	-	-	-	-	-	-	-	13,876,493
Provider Contribution	2,352,115	1,820,231	-	-	-	-	-	-	-	-	-	-	4,172,346
Insurer Assessments	1,842,305	1,881,548	-	-	-	-	-	-	-	-	-	-	3,723,853
Total Operating Revenues	11,061,980	10,710,712	-	-	-	-	-	-	-	-	-	-	21,772,692
Operating Expenses													
Medical Losses:													
Losses Paid or Approved for Payment	11,322,260	7,005,225	-	-	-	-	-	-	-	-	-	-	18,327,485
Increase (Decrease) in Unpaid Losses	(4,459,904)	(780,285)	-	-	-	-	-	-	-	-	-	-	(5,240,189)
Deductible Subsidy Paid	46,339	64,105	-	-	-	-	-	-	-	-	-	-	110,444
Total Medical Losses	6,908,695	6,289,045	-	-	-	-	-	-	-	-	-	-	13,197,740
Pharmacy Losses:													
Losses Paid or Approved for Payment	2,701,745	2,708,078	-	-	-	-	-	-	-	-	-	-	5,409,823
Increase (Decrease) in Unpaid Losses	361,382	(307,985)	-	-	-	-	-	-	-	-	-	-	53,397
Drug Rebates	(101,235)	(113,173)	-	-	-	-	-	-	-	-	-	-	(214,408)
Subsidy - Coinsurance Out-of-Pocket Max	6,291	27,988	-	-	-	-	-	-	-	-	-	-	34,279
Total Pharmacy Losses	2,968,183	2,314,908	-	-	-	-	-	-	-	-	-	-	5,283,091
Total Losses	9,876,878	8,603,953	-	-	-	-	-	-	-	-	-	-	18,480,831
Loss Adjustment Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative Expenses	515,084	514,682	-	-	-	-	-	-	-	-	-	-	1,029,766
Total Operating Expenses	10,391,962	9,118,635	-	-	-	-	-	-	-	-	-	-	19,510,597
Net Operating Income (Loss)	670,018	1,592,077	-	-	-	-	-	-	-	-	-	-	2,262,095
Non-Operating Revenues (Expenses)													
Federal Grant - Disease Management	26,900	26,826	-	-	-	-	-	-	-	-	-	-	53,726
Federal Grant - Low Income Subsidy	551,303	568,815	-	-	-	-	-	-	-	-	-	-	1,120,118
Investment Income	49,580	40,754	-	-	-	-	-	-	-	-	-	-	90,334
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	627,783	636,395	-	-	-	-	-	-	-	-	-	-	1,264,178
Net Income (Loss)	1,297,801	2,228,472	-	-	-	-	-	-	-	-	-	-	3,526,273
Additions to Retained Earnings													
Policyholder													
Retained Earnings, Beginning of Period	27,761,101	29,045,539	-	-	-	-	-	-	-	-	-	-	27,761,101
Current Earnings	1,284,438	2,226,134	-	-	-	-	-	-	-	-	-	-	3,510,572
Retained Earnings, End of Period	29,045,539	31,271,673	-	-	-	-	-	-	-	-	-	-	31,271,673
RBC Target Reserves	(10,107,074)	(10,107,074)	-	-	-	-	-	-	-	-	-	-	(10,107,074)
Retained Earnings in Excess of RBC	18,938,465	21,164,599	-	-	-	-	-	-	-	-	-	-	21,164,599
Providers													
Retained Earnings, Beginning of Period	9,610,597	9,872,183	-	-	-	-	-	-	-	-	-	-	9,610,597
Current Earnings	261,586	(29,490)	-	-	-	-	-	-	-	-	-	-	232,096
Retained Earnings, End of Period	9,872,183	9,842,693	-	-	-	-	-	-	-	-	-	-	9,842,693
RBC Target Reserves	(3,369,025)	(3,369,025)	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	6,503,158	6,473,668	-	-	-	-	-	-	-	-	-	-	6,473,668
Insurers													
Retained Earnings, Beginning of Period	9,962,942	9,714,719	-	-	-	-	-	-	-	-	-	-	9,962,942
Current Earnings	(248,223)	31,828	-	-	-	-	-	-	-	-	-	-	(216,395)
Retained Earnings, End of Period	9,714,719	9,746,547	-	-	-	-	-	-	-	-	-	-	9,746,547
RBC Target Reserves	(3,369,025)	(3,369,025)	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Retained Earnings in Excess of RBC	6,345,694	6,377,522	-	-	-	-	-	-	-	-	-	-	6,377,522
Retained Earnings, End of Period	48,632,441	50,860,913	-	-	-	-	-	-	-	-	-	-	50,860,913
RBC Target Reserves	(16,845,124)	(16,845,124)	-	-	-	-	-	-	-	-	-	-	(16,845,124)
Retained Earnings in Excess of RBC	31,787,317	34,015,789	-	-	-	-	-	-	-	-	-	-	34,015,789

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

STATEMENT OF CASH FLOWS

Cash Flows from Operating Activities	Month of February 2009	YTD Through February 2009
Sources of Cash		
Cash received for premiums	3,242,681	9,740,063
Cash received for assessments	5,198,484	5,198,484
Total Operating Sources	8,441,165	14,938,547
Uses of Cash		
Cash payments for medical losses	(4,997,991)	(12,644,232)
Cash payments for pharmacy losses	(2,556,547)	(5,173,667)
Cash payments for referral fees	(4,580)	(8,710)
Cash payments for other expenses	(472,749)	(1,180,773)
Total Operating Uses	(8,031,867)	(19,007,382)
Net Cash Provided (Used) by Operating Activities	409,298	(4,068,835)

Cash Flows from Non-Operating Activities		
Cash received from investment income	40,753	59,484
Cash received from federal grant	-	-
Cash received for miscellaneous income	-	-
Net Cash Provided/(Used) by Non-Operating Activities	40,753	59,484

Cash and Cash Equivalents		
Net Increase (Decrease) in cash equivalents	450,051	(4,009,351)
Cash and cash equivalents, beginning of period	66,866,210	71,325,612
Cash and Equivalents, End of Period	67,316,261	67,316,261

RECONCILIATION OF NET OPERATING INCOME TO CASH FLOWS FROM OPERATIONS

Net income (loss) from operations	1,592,077	2,262,095
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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	5,710,790	(6,563,245)
Decrease (increase) in prepaids	3,719	(1,415)
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	(1,847,279)	8,558,606
Increase (decrease) in liability for unearned premiums	(4,032,812)	(4,373,137)
Increase (decrease) in liability for medical loss liabilities	(621,117)	(3,661,047)
Increase (decrease) in liability for pharmacy loss liabilities	(396,080)	(290,692)
Other adjustments	-	-
Total adjustments	(1,182,779)	(6,330,930)
Net Cash Provided/(Used) by Operating Activities	409,298	(4,068,835)

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	February 2009	January 2009	Variance	Year-to-Date Through February 2009	Year-to-Date Through February 2008	Variance
Gross Premiums	7,601,512	7,442,150	159,362	15,043,662	17,256,357	(2,212,695)
Premium Subsidized	(592,579)	(574,590)	(17,989)	(1,167,169)	(1,157,299)	(9,870)
Net Premium Revenues	7,008,933	6,867,560	141,373	13,876,493	16,099,058	(2,222,565)
Provider Contribution	1,820,231	2,352,115	(531,884)	4,172,346	5,609,591	(1,437,245)
Insurer Assessments	1,881,548	1,842,305	39,243	3,723,853	5,401,425	(1,677,572)
Total Operating Revenues	10,710,712	11,061,980	(351,268)	21,772,692	27,110,074	(5,337,382)
Operating Expenses						
Medical Losses:						
Losses Paid or Approved for Payment	7,005,225	11,322,260	(4,317,035)	18,327,485	22,908,514	(4,581,029)
Increase (Decrease) in Unpaid Losses	(780,285)	(4,459,904)	3,679,619	(5,240,189)	(8,138,102)	2,897,913
Deductible Subsidy Paid	64,105	46,339	17,766	110,444	115,782	(5,338)
Total Medical Losses	6,289,045	6,908,695	(619,650)	13,197,740	14,886,194	(1,688,454)
Pharmacy Losses:						
Losses Paid or Approved for Payment	2,708,078	2,701,745	6,333	5,409,823	6,411,105	(1,001,282)
Increase (Decrease) in Unpaid Losses	(307,985)	361,382	(669,367)	53,397	(266,155)	319,552
Drug Rebates	(113,173)	(101,235)	(11,938)	(214,408)	(554,279)	339,871
Subsidy - Coinsurance Out-of-Pocket Max	27,988	6,291	21,697	34,279	-	34,279
Total Pharmacy Losses	2,314,908	2,968,183	(653,275)	5,283,091	5,590,671	(307,580)
Total Losses	8,603,953	9,876,878	(1,272,925)	18,480,831	20,476,865	(1,996,034)
Loss Adjustment Expenses	-	-	-	-	-	-
Total Administrative Expenses	514,682	515,084	(402)	1,029,766	1,040,308	(10,542)
Total Operating Expenses	9,118,635	10,391,962	(1,273,327)	19,510,597	21,517,173	(2,006,576)
Net Operating Income (Loss)	1,592,077	670,018	922,059	2,262,095	5,592,901	(3,330,806)
Non-Operating Revenues (Expenses)						
Federal Grant - Disease Management	26,826	26,900	(74)	53,726	-	53,726
Federal Grant - Low Income Subsidy	568,815	551,303	17,512	1,120,118	-	1,120,118
Investment Income	40,754	49,580	(8,826)	90,334	352,878	(262,544)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	636,395	627,783	8,612	1,264,178	352,878	911,300
Net Income (Loss)	2,228,472	1,297,801	930,671	3,526,273	5,945,779	(2,419,506)

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

	February 2009 Budget	February 2009 Actual	Variance	Year-to-Date Through February 2009 Budget	Year-to-Date Through February 2009 Actual	Variance
Operating Revenues						
Gross Premiums	7,758,401	7,601,512	(156,889)	15,506,303	15,043,662	(462,641)
Premium Subsidized	(530,665)	(592,579)	(61,914)	(1,060,612)	(1,167,169)	(106,557)
Net Premium Revenues	<u>7,227,736</u>	<u>7,008,933</u>	<u>(218,803)</u>	<u>14,445,691</u>	<u>13,876,493</u>	<u>(569,198)</u>
Provider Contribution	2,035,424	1,820,231	(215,193)	4,046,026	4,172,346	126,320
Insurer Assessments	1,881,548	1,881,548	-	3,723,853	3,723,853	-
Total Operating Revenues	<u>11,144,708</u>	<u>10,710,712</u>	<u>(433,996)</u>	<u>22,215,570</u>	<u>21,772,692</u>	<u>(442,878)</u>
Operating Expenses						
Medical and Pharmacy Losses:						
Deductible Subsidy/RX OOP Max	10,918,562	8,511,860	2,406,702	21,709,131	18,336,108	3,373,023
Total Medical and Pharmacy Losses	<u>77,436</u>	<u>92,093</u>	<u>(14,657)</u>	<u>128,163</u>	<u>144,723</u>	<u>(16,560)</u>
Loss Adjustment Expenses	-	-	-	-	-	-
Total Administrative Expenses	585,395	514,682	70,713	1,170,790	1,029,766	141,024
Total Operating Expenses	<u>11,581,393</u>	<u>9,118,635</u>	<u>2,462,758</u>	<u>23,008,084</u>	<u>19,510,597</u>	<u>3,497,487</u>
Net Operating Income (Loss)	<u>(436,685)</u>	<u>1,592,077</u>	<u>2,028,762</u>	<u>(792,514)</u>	<u>2,262,095</u>	<u>3,054,609</u>
Non-Operating Revenues (Expenses)						
Federal Grant - Disease Management	32,225	26,826	(5,399)	64,450	53,726	(10,724)
Federal Grant - Low Income Subsidy	530,665	568,815	38,150	1,060,612	1,120,118	59,506
Investment Income	52,769	40,754	(12,015)	105,538	90,334	(15,204)
Miscellaneous Income	-	-	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>615,659</u>	<u>636,395</u>	<u>20,736</u>	<u>1,230,600</u>	<u>1,264,178</u>	<u>33,578</u>
Net Income (Loss)	<u>178,974</u>	<u>2,228,472</u>	<u>2,049,498</u>	<u>438,086</u>	<u>3,526,273</u>	<u>3,088,187</u>

Health Insurance Risk-Sharing Plan Authority
 Calendar Year 2009 Interim Reconciliation
 As of February 28, 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	7,005,225	-	-	-	-	-	-	-	-	-	-	18,327,485
Increase (Decrease) in Unpaid Medical Losses	(4,459,904)	(780,285)	-	-	-	-	-	-	-	-	-	-	(5,240,189)
Pharmacy Losses Paid or Approved for Payment	2,701,745	2,708,078	-	-	-	-	-	-	-	-	-	-	5,409,823
Increase (Decrease) in Unpaid Pharmacy Losses	361,382	(307,985)	-	-	-	-	-	-	-	-	-	-	53,397
Drug Rebates	(101,235)	(113,173)	-	-	-	-	-	-	-	-	-	-	(214,408)
Total Administrative Expenses	515,084	514,682	-	-	-	-	-	-	-	-	-	-	1,029,766
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating and Administrative Costs	10,339,332	9,026,542	-	-	-	-	-	-	-	-	-	-	19,365,874
2. Adjustments to Operating and Administrative Costs													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	49,580	40,754	-	-	-	-	-	-	-	-	-	-	90,334
Federal Grant used for Disease Management Services	26,900	26,826	-	-	-	-	-	-	-	-	-	-	53,726
3. Total Fiscal Year Program Costs to be Split 60% 20% 20%	10,262,852	8,958,962	-	-	-	-	-	-	-	-	-	-	19,221,814
4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)													
Funding Shares													
60% Policyholders	6,157,712	5,375,378	-	-	-	-	-	-	-	-	-	-	11,533,090
20% Providers	2,052,570	1,791,792	-	-	-	-	-	-	-	-	-	-	3,844,362
20% Insurers	2,052,570	1,791,792	-	-	-	-	-	-	-	-	-	-	3,844,362
5. Subsidy Funding Shares													
Premium subsidies	574,590	592,579	-	-	-	-	-	-	-	-	-	-	1,167,169
Deductible Subsidies	46,339	64,105	-	-	-	-	-	-	-	-	-	-	110,444
Subsidy - coinsurance out-of-pocket Max	6,291	27,988	-	-	-	-	-	-	-	-	-	-	34,279
Total Subsidies	627,220	684,672	-	-	-	-	-	-	-	-	-	-	1,311,892
Federal Grant Funds Applied to Low Income Subsidies	(551,303)	(568,815)	-	-	-	-	-	-	-	-	-	-	(1,120,118)
Net Subsidy Funding Needed	75,917	115,857	-	-	-	-	-	-	-	-	-	-	191,774
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	37,959	57,929	-	-	-	-	-	-	-	-	-	-	95,888
Insurers	37,958	57,928	-	-	-	-	-	-	-	-	-	-	95,886
	75,917	115,857	-	-	-	-	-	-	-	-	-	-	191,774
6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)													
Policyholders	6,157,712	5,375,378	-	-	-	-	-	-	-	-	-	-	11,533,090
Providers	2,090,529	1,849,721	-	-	-	-	-	-	-	-	-	-	3,940,250
Insurers	2,090,528	1,849,720	-	-	-	-	-	-	-	-	-	-	3,940,248
7. Operating Revenues by Source													
Policyholders													
Premium	6,867,560	7,008,933	-	-	-	-	-	-	-	-	-	-	13,876,493
Premium and Deductible Subsidies Credited to Policyholders	574,590	592,579	-	-	-	-	-	-	-	-	-	-	1,167,169
Subtotal	7,442,150	7,601,512	-	-	-	-	-	-	-	-	-	-	15,043,662
Providers	2,352,115	1,820,231	-	-	-	-	-	-	-	-	-	-	4,172,346
Insurers	1,842,305	1,881,548	-	-	-	-	-	-	-	-	-	-	3,723,853
Total	11,636,570	11,303,291	-	-	-	-	-	-	-	-	-	-	22,939,861

(cont)

(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 2009													
Policyholders													
Prior Period Surplus / (Deficit)	27,761,101	29,045,539	-	-	-	-	-	-	-	-	-	-	27,761,101
Premium (Including Premium and Deductible Subsidies)	7,442,150	7,601,512	-	-	-	-	-	-	-	-	-	-	15,043,662
Less Cost	6,157,712	5,375,378	-	-	-	-	-	-	-	-	-	-	11,533,090
Monthly Change	1,284,438	2,226,134	-	-	-	-	-	-	-	-	-	-	3,510,572
Ending Surplus / (Deficit)	29,045,539	31,271,673	-	-	-	-	-	-	-	-	-	-	31,271,673
Policyholders's RBC Target Reserves	(10,107,074)	(10,107,074)	-	-	-	-	-	-	-	-	-	-	(10,107,074)
Ending Surplus / (Deficit) Net of RBC Reserves	18,938,465	21,164,599	-	-	-	-	-	-	-	-	-	-	21,164,599
Providers													
Prior Period Surplus / (Deficit)	9,610,597	9,872,183	-	-	-	-	-	-	-	-	-	-	9,610,597
Contribution	2,352,115	1,820,231	-	-	-	-	-	-	-	-	-	-	4,172,346
Less Cost	2,090,529	1,849,721	-	-	-	-	-	-	-	-	-	-	3,940,250
Monthly Change	261,586	(29,490)	-	-	-	-	-	-	-	-	-	-	232,096
Ending Surplus / (Deficit)	9,872,183	9,842,693	-	-	-	-	-	-	-	-	-	-	9,842,693
Providers's RBC Target Reserves	(3,369,025)	(3,369,025)	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	6,503,158	6,473,668	-	-	-	-	-	-	-	-	-	-	6,473,668
Insurers													
Prior Period Surplus / (Deficit)	9,962,942	9,714,719	-	-	-	-	-	-	-	-	-	-	9,962,942
Assessment	1,842,305	1,881,548	-	-	-	-	-	-	-	-	-	-	3,723,853
Less Cost	2,090,528	1,849,720	-	-	-	-	-	-	-	-	-	-	3,940,248
Monthly Change	(248,223)	31,828	-	-	-	-	-	-	-	-	-	-	(216,395)
Ending Surplus / (Deficit)	9,714,719	9,746,547	-	-	-	-	-	-	-	-	-	-	9,746,547
Insurer's RBC Target Reserves	(3,369,025)	(3,369,025)	-	-	-	-	-	-	-	-	-	-	(3,369,025)
Ending Surplus / (Deficit) Net of RBC Reserves	6,345,694	6,377,522	-	-	-	-	-	-	-	-	-	-	6,377,522
Total HIRSP Retained Earnings	48,632,441	50,860,913	-	-	-	-	-	-	-	-	-	-	50,860,913
Total RBC Target Reserves	(16,845,124)	(16,845,124)	-	-	-	-	-	-	-	-	-	-	(16,845,124)
Total Retained Earnings in Excess of RBC Target Reserves	31,787,317	34,015,789	-	-	-	-	-	-	-	-	-	-	34,015,789

**Health Insurance Risk-Sharing Plan Authority
Monthly Provider Contribution Report
As of February 2009 Month End (02/25/2009)**

Provider Contribution Calculation for the Current Month - Claims by Claim Type

Claims Incurred 1/1/2008 and After			HIRSP Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Claim Type	Billed Charges					
Professional	\$ 7,201,624.41		\$ 4,063,914.53	\$ 3,248,839.86	\$ 815,074.67	\$ 1,572,445.37
Hospital Outpatient	\$ 4,069,516.06		\$ 2,729,031.03	\$ 2,182,589.01	\$ 546,442.02	\$ 1,369,983.58
Hospital Inpatient	\$ 4,195,006.44		\$ 2,487,312.09	\$ 1,956,004.93	\$ 531,307.16	\$ 1,793,293.04
Nursing Home	\$ 33,945.62		\$ 33,926.06	\$ 25,121.79	\$ 8,804.27	\$ 25,179.66
Other	\$ 694,532.24		\$ 458,881.22	\$ 371,149.72	\$ 87,731.50	\$ 158,697.43
Total	\$ 16,194,624.77		\$ 9,773,064.93	\$ 7,783,705.31	\$ 1,989,359.62	\$ 4,919,599.08

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
Total	\$ (71,457.85)	28.5%	\$ (51,092.36)	\$ (94,355.94)	\$ 43,263.58	\$ (71,229.61)

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ (212,392.00)
--	-----------------

Total Provider Contribution	\$ 1,820,231.20
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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**

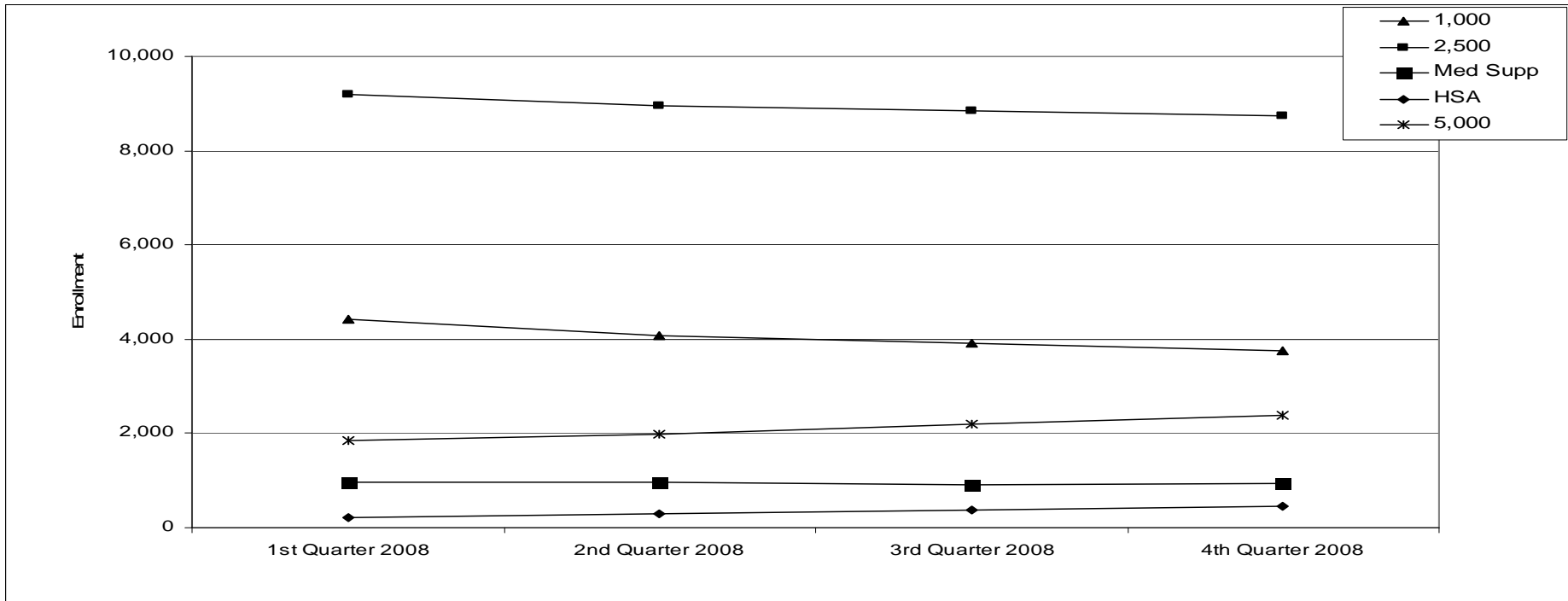
January 31, 2009
16,330

February 28, 2009
16,727

January 31, 2008
17,070

February 28, 2009
16,277

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
Feb-09**

Total Subsidy by Plan			
Plan		Number of Policyholders	% of Total
HIRSP 1,000	Non-subsidized	1,588	9.8%
	Subsidized	1,084	6.7%
	Total	2,672	16.4%
HIRSP 2,500	Non-subsidized	7,142	43.9%
	Subsidized	1,746	10.7%
	Total	8,888	54.6%
HIRSP Medicare Supplement	Non-subsidized	556	3.4%
	Subsidized	370	2.3%
	Total	926	5.7%
HIRSP Health Savings Account	Non-subsidized	494	3.0%
	Subsidized	60	0.4%
	Total	554	3.4%
HIRSP 5,000	Non-subsidized	2,610	16.0%
	Subsidized	627	3.9%
	Total	3,237	19.9%
Non-subsidized Total		12,390	76.1%
Subsidized Total		3,887	23.9%
Grand Total		16,277	100.0%

Total Subsidy by Household Income		
Household Income	Number of Policyholders	% of Total
\$30,000 - \$32,999	202	5.2%
\$25,000 - \$29,999	388	10.0%
\$20,000 - \$24,999	676	17.4%
\$17,000 - \$19,999	401	10.3%
\$14,000 - \$16,999	379	9.8%
\$10,000 - \$13,999	545	14.0%
\$9,999 Under	1,296	33.3%
Total	3,887	100.0%

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

Summary of Monthly Application Activity	
Number of Applications Pending January	229
Number of Applications Received February	453
Number of Applications Rejected February	32
Number of Applications Closed February	45
Number of Applications Pending February	272
Number of Applications Approved February	381

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.	6
Eligible for Group Health Coverage	24
Insufficient Premium Submitted	0
No Medical Reason	1
Not a Wisconsin Resident	1
Previous HIRSP <12 Months Ago	0
Total	32

Detail of Applications Closed	
Applicant Request	3
Application Data requested; never received	1
Proper eligibility requested; never received	41
Total	45

Applications Approved in 2009*						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	19	147	4	28	100	298
February	31	172	3	27	149	382
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	50	319	7	55	249	680

Disenrollment in 2009						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	122	227	25	4	62	440
February	62	150	6	5	37	258
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
Total	184	377	31	9	99	698

* Month application was approved, not the effective date.

HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY

Monthly Eligibility Report February, 2009

A.	Medicare Eligible	1
B.	HIV +	5
C.	Eligible Individual	225
D.	Letter of Medical Eligibility	150
	1. Letter of Rejection By:	
	<i>American Community Mutual Insurance</i>	8
	<i>American Family</i>	30
	<i>American Heritage</i>	3
	<i>American Medical Security Group</i>	2
	<i>American Republic</i>	3
	<i>Arise</i>	8
	<i>Assurant Health</i>	21
	<i>Atrium Health Plan</i>	1
	<i>Blue Cross & Blue Shield United of Wisconsin</i>	52
	<i>Celtic Life Insurance Company</i>	5
	<i>Dean Health Plan</i>	9
	<i>Golden Rule Insurance Company</i>	22
	<i>Group Health Cooperative</i>	2
	<i>Humana Insurance Company</i>	37
	<i>Mega Life and Health Insurance</i>	4
	<i>Mid-West National Life Insurance Company of</i>	1
	<i>Pekin Life Insurance</i>	5
	<i>Physicians Mutual Insurance Company</i>	1
	<i>Physicians Plus Insurance</i>	3
	<i>Security Health Plan</i>	10
	<i>Unity Health Plan</i>	4
	<i>WEA Insurance Corp.</i>	1
	<i>Wisconsin Physicians Service Insurance</i>	51
	<i>World Insurance</i>	1
	2. Notice of Benefit Reduction	0
	3. Notice of Premium increase due to a Health Reason	0
	Total	381
	Eligible individual as percent of total enrollment	59%

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

Grievance

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	2
	Enrollment/Eligibility Requirements	5
	Not Covered Benefit	15
	Not Medically Necessary	4
	Plan Administration	27
	Prior Authorization	0
	Experimental Treatment	1
	Billing/Claim Processing	2
<u>Grievance Committee Decision</u>		
	Closed Prior to Committee	2
	Approved	27
	Upheld Denial	24
	Partial Approval	3
Total Grievances Received		56

Appeal

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