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# **Financial and Policyholder Activity Report**

September 2009

**HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY  
SEPTEMBER 2009 MONTHLY REPORT  
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**Summary Review Prior to Recording of Policyholder Payout  
Un-audited HIRSP Authority Financial Statements  
For the Nine-Month Period Ended September 30, 2009**

**ASSETS**

Total assets increased by \$245 thousand to \$62.7 million in September 2009. Cash assets increased \$621 thousand as insurer assessments of \$924 thousand were received, thus reducing the receivable. Other receivables and drug rebate receivables increased due to timing of activity by \$230 thousand and \$318 thousand, respectively during the month to account for the overall increase in total assets.

Total assets year-to-date in September 2009 decreased by \$20.0 million compared to total assets as of September 2008, which is a decrease of 24.2%. The majority of this change is due to the cash assets year-to-date being \$19.0 million or 26.9% less than cash assets as of September 2008. The decrease reflects the distribution to policyholders of \$11.9 million in March 2009. Assessments receivable are \$2.2 million lower than assessments receivable as of September 2009. This is a result of the lower assessments being billed during 2009. Drug rebate receivables increased \$922 thousand between September 2008 and 2009 as a result of higher rebates available from the pharmacy benefit manager contract that went into effect January 1, 2009.

**LIABILITIES**

Total liabilities increased by \$833 thousand to \$31.5 million in September 2009. The majority of this increase was due to a \$3.7 million increase in the unearned premium liability and a decrease in unearned assessment liability by \$2.3 million. The change in unearned premium liability is due to timing of premium payments. The change in the unearned assessment liability to bring the balance of the liability to \$8.3 million is reasonable considering we have three months of activity left in the year.

Total liabilities year-to-date in September 2009 decreased by \$4.2 million relative to total liabilities as of September 2008. The majority of the change is due to a \$3.2 million decrease in unearned assessments due. This is a result of lower assessments being billed during 2009.

**CALENDAR YEAR 2009 NET INCOME**

Net loss for the nine months ended September 30, 2009 was \$4.3 million, a decrease of \$16.1 million compared to 2008 year-to-date net income of \$11.8 million. Year-to-date 2009 changes in income and expense include decreases in premium revenues, provider contribution, insurer assessments, medical losses, pharmacy losses, and increases in administrative expenses and non-operating revenues.

Net premium revenues of \$62.9 million year-to-date through September 2009 decreased by \$4.7 million or 7.0% compared to 2008 year-to-date. This is primarily due to increased HIRSP membership offset by enrollment changes in HIRSP benefit plans and the new rates for 2009. There were 16,637 HIRSP contracts in force as of September 30, 2009 compared to 16,273 contracts as of September 2008, the current number of contracts having increased from the prior year by 364. September 2009 year-to-date total operating revenue of \$102.0 million decreased from 2008 year-to-date by \$23.0 million, or 18.4%. This decrease is due to the decrease in premium revenue as explained above and a \$9.7 million decrease in provider contribution and an \$8.6 million decrease in insurer assessments year to date. This is expected since the intention was to spend down insurer and provider equity during 2009.

Incurred medical loss expense for the nine months ended September 30, 2009 was \$80.0 million, decreased by \$5.0 million or 5.9% from incurred medical losses for the nine months ended September 30, 2008. This reflects, in part, a shift in members from 2008 to 2009 to higher deductible plans.

Estimated liabilities for unpaid medical losses decreased by \$2.7 million from December 2008 through September 2009. Estimated loss reserves were decreased in September 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 \$3.8 million decrease in incurred medical loss expense through September 2009.

Incurred pharmacy loss expense year-to-date in 2009 was \$23.8 million, reflecting a 2009 decrease of \$703 thousand compared to September 2008 year-to-date total pharmacy loss expense. The change is

attributable to a reduction in drug claims paid as well as an increase in drug rebate accruals. Aggregate incurred medical and pharmacy loss expense for the nine months of 2009 was \$103.9 million, decreased by \$5.6 million or 5.2% compared to aggregate medical and pharmacy loss expense of \$109.5 million for the comparable nine months of 2008.

Total administrative expenses of \$5.0 million for the nine months of 2009 are an increase of \$240 thousand compared to the same period in 2008. This is reflective of higher membership in 2009 since most administrative costs are on a per member per month basis.

Investment income for the nine months ended September 30, 2009 was \$229,349, decreased by \$927 thousand or 80.0% 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 \$2.3 million compared to year-to-date 2008 which was solely investment income.

#### CASH FLOW

Year-to-date 2009 cash flows from operating activities reflect \$82.6 million of sources of cash compared to \$93.0 million in uses of cash. Non-operating activities used cash of \$9.3 million which reflects the policyholder distribution of \$11.9 million in March 2009 as well as \$2.3 million cash received on the federal grant. The net change year-to-date is a \$19.8 million decrease in cash through September 2009 which we would expect given decrease in premium and assessments revenue as well the policy holder distribution activity.

#### 2009 OPERATING BUDGET

Total revenues of \$104.6 million were short of budget by \$2.1 million. The majority of this variance is due to a \$2.2 million shortfall in net premium revenues which is due to total enrollment being less than budget as well as a shift of members to the higher deductible plans. Actual medical and pharmacy loss expenses of \$103.9 million were below budget by \$6.5 million. This is in part due to enrollment figures being different than what was budgeted but also medical claims on a Per Member Per Month basis on average are less than in 2008 for this same period of time. The premium revenue shortfall and the pharmacy and medical loss being less than budgeted resulted in the actual net loss of \$4.3 million being better than budget by \$4.4 million for the nine month period ended September 30, 2009.

#### RETAINED EQUITY

HIRSP Authority total equity decreased by \$588,612 during the month of September 2009 and equaled \$31.2 million as of September 30, 2009. The decrease in total equity resulted from September 2009 net operating loss of \$627,041 less non operating revenues of \$38,429, which provided net loss for the month of \$588,612.

In September 2009, policyholders' equity increased by \$619,405 to equal \$20.0 million, and exceeded RBC target reserves by \$10.5 million. Providers' equity decreased by \$773,131 to equal \$5.7 million, and exceeded RBC target reserves by \$2.5 million. Insurers' equity decreased by \$434,886 to equal \$5.5 million, and exceeded RBC target reserves by \$2.3 million. Year-to-date through September 2009, HIRSP Authority total retained equity of \$31.2 million decreased by \$4.3 million from the December 2008 year-to-date total equity of \$35.5 million.

Health Insurance Risk-Sharing Plan Authority  
September 30, 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	66,915,789	67,365,841	58,443,349	59,521,157	54,351,851	54,261,749	51,321,836	50,948,346	51,569,799	-	-	-
Other Receivables	3,593,057	3,234,558	3,256,561	1,646,301	1,486,877	1,459,439	775,313	914,613	1,144,609	-	-	-
Drug Rebates Receivable	1,199,514	1,045,073	1,028,247	484,994	1,527,800	1,844,375	1,808,079	2,122,712	2,440,599	-	-	-
Assessments Receivable	12,484,981	7,286,497	5,392,367	1,518,420	36,342	53,686	15,121,536	8,408,622	7,484,309	-	-	-
Prepaid Items	19,164	15,445	19,743	14,864	14,574	18,629	18,869	20,010	19,980	-	-	-
Net Fixed Assets	23,269	23,902	23,432	22,962	22,492	22,021	21,551	21,081	20,610	-	-	-
<b>Total Assets</b>	<b>84,235,774</b>	<b>78,971,316</b>	<b>68,163,699</b>	<b>63,208,698</b>	<b>57,439,936</b>	<b>57,659,899</b>	<b>69,067,184</b>	<b>62,435,384</b>	<b>62,679,906</b>	-	-	-
<b>Liabilities and Fund Equity</b>												
Liabilities:												
Unpaid Medical Loss Liabilities	8,634,305	8,066,412	9,165,224	9,822,159	10,223,937	9,637,818	9,496,542	9,621,476	9,113,927	-	-	-
Unpaid Prescription Drug Loss Liabilities	720,281	412,296	396,044	533,470	793,960	546,417	537,917	541,555	491,298	-	-	-
Unpaid Loss Adjustment Expense	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	-	-	-
Unearned Premiums	10,867,632	6,839,291	11,490,944	10,743,062	6,935,213	10,899,748	10,668,327	7,003,080	10,662,712	-	-	-
Unearned Assessments	10,598,285	8,716,737	6,559,981	4,426,799	2,205,148	-	12,815,126	10,567,449	8,266,865	-	-	-
Unearned Federal Grant	1,982,966	1,387,325	785,949	123,733	251,442	224,086	196,614	169,331	142,167	-	-	-
Accounts Payable and Other Accrued Liabilities	13,911,929	13,800,407	2,155,819	2,172,287	1,990,287	1,838,129	2,088,919	1,989,204	2,048,260	-	-	-
<b>Total Liabilities</b>	<b>47,495,398</b>	<b>40,002,468</b>	<b>31,333,961</b>	<b>28,601,510</b>	<b>23,179,987</b>	<b>23,926,198</b>	<b>36,583,445</b>	<b>30,672,095</b>	<b>31,505,229</b>	-	-	-
Fund Equity:												
Policyholder	17,153,474	19,379,608	18,233,586	17,217,614	17,967,221	18,651,709	18,832,986	19,395,656	20,015,061	-	-	-
Providers	9,872,183	9,842,693	9,716,236	9,308,638	8,753,918	8,067,629	7,233,237	6,450,556	5,677,425	-	-	-
Insurers	9,714,719	9,746,547	8,879,916	8,080,936	7,538,810	7,014,363	6,417,516	5,917,077	5,482,191	-	-	-
<b>Total Retained Earnings</b>	<b>36,740,376</b>	<b>38,968,848</b>	<b>36,829,738</b>	<b>34,607,188</b>	<b>34,259,949</b>	<b>33,733,701</b>	<b>32,483,739</b>	<b>31,763,289</b>	<b>31,174,677</b>	-	-	-
<b>Total Liabilities and Fund Equity</b>	<b>84,235,774</b>	<b>78,971,316</b>	<b>68,163,699</b>	<b>63,208,698</b>	<b>57,439,936</b>	<b>57,659,899</b>	<b>69,067,184</b>	<b>62,435,384</b>	<b>62,679,906</b>	-	-	-

**Health Insurance Risk-Sharing Plan Authority  
for the Period Ended September 30, 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	7,681,060	7,534,999	7,660,521	7,713,409	7,563,136	7,632,813	7,675,768	-	-	-	68,505,368
Premium Subsidized	(574,590)	(592,579)	(598,091)	(660,331)	(623,467)	(629,182)	(637,088)	(628,457)	(620,489)	-	-	-	(5,564,274)
Net Premium Revenues	6,867,560	7,008,933	7,082,969	6,874,668	7,037,054	7,084,227	6,926,048	7,004,356	7,055,279	-	-	-	62,941,094
Provider Contribution	2,352,115	1,820,231	2,896,930	2,524,563	2,209,057	2,043,307	2,021,631	1,965,436	1,962,340	-	-	-	19,795,610
Insurer Assessments	1,842,305	1,881,548	2,156,756	2,133,182	2,221,651	2,205,148	2,259,176	2,247,677	2,300,584	-	-	-	19,248,027
<b>Total Operating Revenues</b>	<b>11,061,980</b>	<b>10,710,712</b>	<b>12,136,655</b>	<b>11,532,413</b>	<b>11,467,762</b>	<b>11,332,682</b>	<b>11,206,855</b>	<b>11,217,469</b>	<b>11,318,203</b>	-	-	-	<b>101,984,731</b>
<b>Operating Expenses</b>													
Medical Losses:													
Losses Paid or Approved for Payment	11,322,260	7,005,225	9,915,344	9,837,743	8,709,603	9,609,514	9,145,223	8,586,385	9,170,117	-	-	-	83,301,414
Increase (Decrease) in Unpaid Losses	(4,459,904)	(780,285)	1,475,705	864,526	518,695	(741,441)	(175,324)	154,543	(627,331)	-	-	-	(3,770,816)
Deductible Subsidy Paid	46,339	64,105	84,608	74,856	60,921	59,306	46,377	48,880	39,496	-	-	-	524,888
Total Medical Losses	6,908,695	6,289,045	11,475,657	10,777,125	9,289,219	8,927,379	9,016,276	8,789,808	8,582,282	-	-	-	80,055,486
Pharmacy Losses:													
Losses Paid or Approved for Payment	2,701,745	2,708,078	2,986,532	3,157,129	2,741,938	2,901,926	3,093,549	2,817,380	3,002,740	-	-	-	26,111,017
Increase (Decrease) in Unpaid Losses	361,382	(307,985)	(16,252)	137,426	260,490	(247,543)	(8,500)	3,638	(50,257)	-	-	-	132,399
Drug Rebates	(101,235)	(113,173)	(159,122)	(219,200)	(1,211,629)	(316,575)	(322,425)	(315,007)	(317,887)	-	-	-	(3,076,253)
Subsidy - Coinsurance Out-of-Pocket Max	6,291	27,988	52,768	64,362	81,365	89,933	108,315	105,466	105,740	-	-	-	642,228
Total Pharmacy Losses	2,968,183	2,314,908	2,863,926	3,139,717	1,872,164	2,427,741	2,870,939	2,611,477	2,740,336	-	-	-	23,809,391
Total Losses	9,876,878	8,603,953	14,339,583	13,916,842	11,161,383	11,355,120	11,887,215	11,401,285	11,322,618	-	-	-	103,864,877
Loss Adjustment Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative Expenses	515,084	514,682	574,138	528,843	546,859	539,179	609,714	576,602	622,626	-	-	-	5,027,727
Total Operating Expenses	10,391,962	9,118,635	14,913,721	14,445,685	11,708,242	11,894,299	12,496,929	11,977,887	11,945,244	-	-	-	108,892,604
<b>Net Operating Income (Loss)</b>	<b>670,018</b>	<b>1,592,077</b>	<b>(2,777,066)</b>	<b>(2,913,272)</b>	<b>(240,480)</b>	<b>(561,617)</b>	<b>(1,290,074)</b>	<b>(760,418)</b>	<b>(627,041)</b>	-	-	-	<b>(6,907,873)</b>
<b>Non-Operating Revenues (Expenses)</b>													
Federal Grant - Disease Management	26,900	26,826	27,062	27,243	27,222	27,356	27,472	27,283	27,163	-	-	-	244,527
Federal Grant - Low Income Subsidy	551,303	568,815	574,313	634,974	(154,931)	-	-	-	-	-	-	-	2,174,474
Investment Income	49,580	40,754	35,231	29,855	21,560	15,778	14,100	12,685	9,806	-	-	-	229,349
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to Policyholders	-	-	1,350	(1,350)	(610)	(7,765)	(1,460)	-	1,460	-	-	-	(8,375)
Total Non-operating Revenues (Expenses)	627,783	636,395	637,956	690,722	(106,759)	35,369	40,112	39,968	38,429	-	-	-	2,639,975
<b>Net Income (Loss)</b>	<b>1,297,801</b>	<b>2,228,472</b>	<b>(2,139,110)</b>	<b>(2,222,550)</b>	<b>(347,239)</b>	<b>(526,248)</b>	<b>(1,249,962)</b>	<b>(720,450)</b>	<b>(588,612)</b>	-	-	-	<b>(4,267,898)</b>
<b>Additions to Retained Earnings</b>													
<b>Policyholder</b>													
Retained Earnings, Beginning of Period	15,869,036	17,153,474	19,379,608	18,233,586	17,217,614	17,967,221	18,651,709	18,832,986	19,395,656	-	-	-	15,869,036
Current Earnings	1,284,438	2,226,134	(1,146,022)	(1,015,972)	749,607	684,488	181,277	562,670	619,405	-	-	-	4,146,025
Retained Earnings, End of Period	17,153,474	19,379,608	18,233,586	17,217,614	17,967,221	18,651,709	18,832,986	19,395,656	20,015,061	-	-	-	20,015,061
RBC Target Reserves	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	-	-	-	(9,495,391)
<b>Retained Earnings in Excess of RBC</b>	<b>7,658,083</b>	<b>9,884,217</b>	<b>8,738,195</b>	<b>7,722,223</b>	<b>8,471,830</b>	<b>9,156,318</b>	<b>9,337,595</b>	<b>9,900,265</b>	<b>10,519,670</b>	-	-	-	<b>10,519,670</b>
<b>Providers</b>													
Retained Earnings, Beginning of Period	9,610,597	9,872,183	9,842,693	9,716,236	9,308,638	8,753,918	8,067,629	7,233,237	6,450,556	-	-	-	9,610,597
Current Earnings	261,586	(29,490)	(126,457)	(407,598)	(554,720)	(686,289)	(834,392)	(782,681)	(773,131)	-	-	-	(3,933,172)
Retained Earnings, End of Period	9,872,183	9,842,693	9,716,236	9,308,638	8,753,918	8,067,629	7,233,237	6,450,556	5,677,425	-	-	-	5,677,425
RBC Target Reserves	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	-	-	-	(3,165,130)
<b>Retained Earnings in Excess of RBC</b>	<b>6,707,053</b>	<b>6,677,563</b>	<b>6,551,106</b>	<b>6,143,508</b>	<b>5,588,788</b>	<b>4,902,499</b>	<b>4,068,107</b>	<b>3,285,426</b>	<b>2,512,295</b>	-	-	-	<b>2,512,295</b>
<b>Insurers</b>													
Retained Earnings, Beginning of Period	9,962,942	9,714,719	9,746,547	8,879,916	8,080,936	7,538,810	7,014,363	6,417,516	5,917,077	-	-	-	9,962,942
Current Earnings	(248,223)	31,828	(866,631)	(798,980)	(542,126)	(524,447)	(596,847)	(500,439)	(434,886)	-	-	-	(4,480,751)
Retained Earnings, End of Period	9,714,719	9,746,547	8,879,916	8,080,936	7,538,810	7,014,363	6,417,516	5,917,077	5,482,191	-	-	-	5,482,191
RBC Target Reserves	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	-	-	-	(3,165,130)
<b>Retained Earnings in Excess of RBC</b>	<b>6,549,589</b>	<b>6,581,417</b>	<b>5,714,786</b>	<b>4,915,806</b>	<b>4,373,680</b>	<b>3,849,233</b>	<b>3,252,386</b>	<b>2,751,947</b>	<b>2,317,061</b>	-	-	-	<b>2,317,061</b>
Retained Earnings, End of Period	36,740,376	38,968,848	36,829,738	34,607,188	34,259,949	33,733,701	32,483,739	31,763,289	31,174,677	-	-	-	31,174,677
RBC Target Reserves	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	-	-	-	(15,825,651)
<b>Retained Earnings in Excess of RBC</b>	<b>20,914,725</b>	<b>23,143,197</b>	<b>21,004,087</b>	<b>18,781,537</b>	<b>18,434,298</b>	<b>17,908,050</b>	<b>16,658,088</b>	<b>15,937,638</b>	<b>15,349,026</b>	-	-	-	<b>15,349,026</b>

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

**STATEMENT OF CASH FLOWS**

<b>Cash Flows from Operating Activities</b>	<b>Month of September 2009</b>	<b>YTD Through September 2009</b>
<b>Sources of Cash</b>		
Cash received for premiums	10,520,501	62,551,528
Cash received for assessments	924,314	20,074,974
Total Operating Sources	11,444,815	82,626,502
<b>Uses of Cash</b>		
Cash payments for medical losses	(7,150,033)	(63,019,378)
Cash payments for pharmacy losses	(3,129,465)	(24,888,971)
Cash payments for referral fees	(6,000)	(49,695)
Cash payments for other expenses	(549,130)	(5,081,636)
Total Operating Uses	(10,834,628)	(93,039,680)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>610,187</b>	<b>(10,413,178)</b>

<b>Cash Flows from Non-Operating Activities</b>		
Cash received from investment income	9,806	248,078
Cash received from federal grant	-	2,309,727
Cash received for miscellaneous income	-	-
Cash Distribution to Policyholders	1,460	(11,900,440)
<b>Net Cash Provided/(Used) by Non-Operating Activities</b>	<b>11,266</b>	<b>(9,342,635)</b>

<b>Cash and Cash Equivalents</b>		
Net Increase (Decrease) in cash equivalents	621,453	(19,755,813)
Cash and cash equivalents, beginning of period	50,948,346	71,325,612
<b>Cash and Equivalents, End of Period</b>	<b>51,569,799</b>	<b>51,569,799</b>

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

Net income (loss) from operations	(627,041)	(6,907,873)
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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	376,901	(8,373,070)
Decrease (increase) in prepaids	30	(5,950)
Increase (decrease) in liability for premium overpayments	-	-
Increase (decrease) in liability for accounts payable	(2,235,036)	8,166,104
Increase (decrease) in liability for unearned premiums	3,645,689	(547,260)
Increase (decrease) in liability for medical loss liabilities	(479,114)	(2,660,961)
Increase (decrease) in liability for pharmacy loss liabilities	(71,242)	(84,168)
Other adjustments	-	-
Total adjustments	1,237,228	(3,505,305)

<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>610,187</b>	<b>(10,413,178)</b>
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**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**

<b>Operating Revenues</b>	<b>September 2009</b>	<b>August 2009</b>	<b>Variance</b>	<b>Year-to-Date Through September 2009</b>	<b>Year-to-Date Through September 2008</b>	<b>Variance</b>
Gross Premiums	7,675,768	7,632,813	42,955	68,505,368	72,838,020	(4,332,652)
Premium Subsidized	(620,489)	(628,457)	7,968	(5,564,274)	(5,177,045)	(387,229)
<b>Net Premium Revenues</b>	<b>7,055,279</b>	<b>7,004,356</b>	<b>50,923</b>	<b>62,941,094</b>	<b>67,660,975</b>	<b>(4,719,881)</b>
Provider Contribution	1,962,340	1,965,436	(3,096)	19,795,610	29,490,893	(9,695,283)
Insurer Assessments	2,300,584	2,247,677	52,907	19,248,027	27,853,195	(8,605,168)
<b>Total Operating Revenues</b>	<b>11,318,203</b>	<b>11,217,469</b>	<b>100,734</b>	<b>101,984,731</b>	<b>125,005,063</b>	<b>(23,020,332)</b>
<b>Operating Expenses</b>						
Medical Losses:						
Losses Paid or Approved for Payment	9,170,117	8,586,385	583,732	83,301,414	92,643,631	(9,342,217)
Increase (Decrease) in Unpaid Losses	(627,331)	154,543	(781,874)	(3,770,816)	(8,121,830)	4,351,014
Deductible Subsidy Paid	39,496	48,880	(9,384)	524,888	514,264	10,624
<b>Total Medical Losses</b>	<b>8,582,282</b>	<b>8,789,808</b>	<b>(207,526)</b>	<b>80,055,486</b>	<b>85,036,065</b>	<b>(4,980,579)</b>
Pharmacy Losses:						
Losses Paid or Approved for Payment	3,002,740	2,817,380	185,360	26,111,017	26,669,649	(558,632)
Increase (Decrease) in Unpaid Losses	(50,257)	3,638	(53,895)	132,399	(365,413)	497,812
Drug Rebates	(317,887)	(315,007)	(2,880)	(3,076,253)	(2,259,649)	(816,604)
Subsidy - Coinsurance Out-of-Pocket Max	105,740	105,466	274	642,228	467,788	174,440
<b>Total Pharmacy Losses</b>	<b>2,740,336</b>	<b>2,611,477</b>	<b>128,859</b>	<b>23,809,391</b>	<b>24,512,375</b>	<b>(702,984)</b>
<b>Total Losses</b>	<b>11,322,618</b>	<b>11,401,285</b>	<b>(78,667)</b>	<b>103,864,877</b>	<b>109,548,440</b>	<b>(5,683,563)</b>
Loss Adjustment Expenses	-	-	-	-	-	-
Total Administrative Expenses	622,626	576,602	46,024	5,027,727	4,787,608	240,119
<b>Total Operating Expenses</b>	<b>11,945,244</b>	<b>11,977,887</b>	<b>(32,643)</b>	<b>108,892,604</b>	<b>114,336,048</b>	<b>(5,443,444)</b>
<b>Net Operating Income (Loss)</b>	<b>(627,041)</b>	<b>(760,418)</b>	<b>133,377</b>	<b>(6,907,873)</b>	<b>10,669,015</b>	<b>(17,576,888)</b>
<b>Non-Operating Revenues (Expenses)</b>						
Federal Grant - Disease Management	27,163	27,283	(120)	244,527	-	244,527
Federal Grant - Low Income Subsidy	-	-	-	2,174,474	-	2,174,474
Investment Income	9,806	12,685	(2,879)	229,349	1,156,293	(926,944)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	1,460	-	1,460	(8,375)	-	(8,375)
<b>Total Non-operating Revenues (Expenses)</b>	<b>38,429</b>	<b>39,968</b>	<b>(1,539)</b>	<b>2,639,975</b>	<b>1,156,293</b>	<b>1,483,682</b>
<b>Net Income (Loss)</b>	<b>(588,612)</b>	<b>(720,450)</b>	<b>131,838</b>	<b>(4,267,898)</b>	<b>11,825,308</b>	<b>(16,093,206)</b>

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

	September 2009			Year-to-Date Through September 2009		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Operating Revenues</b>						
Gross Premiums	7,770,113	7,675,768	(94,345)	69,805,971	68,505,368	(1,300,603)
Premium Subsidized	(515,445)	(620,489)	(105,044)	(4,702,521)	(5,564,274)	(861,753)
Net Premium Revenues	<u>7,254,668</u>	<u>7,055,279</u>	<u>(199,389)</u>	<u>65,103,450</u>	<u>62,941,094</u>	<u>(2,162,356)</u>
Provider Contribution	2,230,275	1,962,340	(267,935)	19,389,613	19,795,610	405,997
Insurer Assessments	2,300,584	2,300,584	-	19,248,027	19,248,027	-
<b>Total Operating Revenues</b>	<b><u>11,785,527</u></b>	<b><u>11,318,203</u></b>	<b><u>(467,324)</u></b>	<b><u>103,741,090</u></b>	<b><u>101,984,731</u></b>	<b><u>(1,756,359)</u></b>
<b>Operating Expenses</b>						
Medical and Pharmacy Losses:	12,904,173	11,177,382	1,726,791	109,281,518	102,697,761	6,583,757
Deductible Subsidy/RX OOP Max	150,212	145,236	4,976	1,092,754	1,167,116	(74,362)
Total Medical and Pharmacy Losses	<u>13,054,385</u>	<u>11,322,618</u>	<u>1,731,767</u>	<u>110,374,272</u>	<u>103,864,877</u>	<u>6,509,395</u>
Loss Adjustment Expenses	-	-	-	-	-	-
Total Administrative Expenses	547,269	622,626	(75,357)	5,032,394	5,027,727	4,667
Total Operating Expenses	<u>13,601,654</u>	<u>11,945,244</u>	<u>1,656,410</u>	<u>115,406,666</u>	<u>108,892,604</u>	<u>6,514,062</u>
<b>Net Operating Income (Loss)</b>	<b><u>(1,816,127)</u></b>	<b><u>(627,041)</u></b>	<b><u>1,189,086</u></b>	<b><u>(11,665,576)</u></b>	<b><u>(6,907,873)</u></b>	<b><u>4,757,703</u></b>
<b>Non-Operating Revenues (Expenses)</b>						
Federal Grant - Disease Management	32,225	27,163	(5,062)	290,025	244,527	(45,498)
Federal Grant - Low Income Subsidy	-	-	-	2,174,474	2,174,474	-
Investment Income	53,304	9,806	(43,498)	477,279	229,349	(247,930)
Miscellaneous Income	-	-	-	-	-	-
Distribution to Policyholders	-	1,460	1,460	-	(8,375)	(8,375)
Total Non-operating Revenues (Expenses)	<u>85,529</u>	<u>38,429</u>	<u>(47,100)</u>	<u>2,941,778</u>	<u>2,639,975</u>	<u>(301,803)</u>
<b>Net Income (Loss)</b>	<b><u>(1,730,598)</u></b>	<b><u>(588,612)</u></b>	<b><u>1,141,986</u></b>	<b><u>(8,723,798)</u></b>	<b><u>(4,267,898)</u></b>	<b><u>4,455,900</u></b>

**Health Insurance Risk-Sharing Plan Authority**  
**Calendar Year 2009 Interim Reconciliation**  
**As of September 30, 2009**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
<b>1. Operating and Administrative Costs under s.149.143(1)</b>													
Medical Losses Paid or Approved for Payment	11,322,260	7,005,225	9,915,344	9,837,743	8,709,603	9,609,514	9,145,223	8,586,385	9,170,117	-	-	-	83,301,414
Increase (Decrease) in Unpaid Medical Losses	(4,459,904)	(780,285)	1,475,705	864,526	518,695	(741,441)	(175,324)	154,543	(627,331)	-	-	-	(3,770,816)
Pharmacy Losses Paid or Approved for Payment	2,701,745	2,708,078	2,986,532	3,157,129	2,741,938	2,901,926	3,093,549	2,817,380	3,002,740	-	-	-	26,111,017
Increase (Decrease) in Unpaid Pharmacy Losses	361,382	(307,985)	(16,252)	137,426	260,490	(247,543)	(8,500)	3,638	(50,257)	-	-	-	132,399
Drug Rebates	(101,235)	(113,173)	(159,122)	(219,200)	(1,211,629)	(316,575)	(322,425)	(315,007)	(317,887)	-	-	-	(3,076,253)
Total Administrative Expenses	515,084	514,682	574,138	528,843	546,859	539,179	609,714	576,602	622,626	-	-	-	5,027,727
Loss Adjustment Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating and Administrative Costs	10,339,332	9,026,542	14,776,345	14,306,467	11,565,956	11,745,060	12,342,237	11,823,541	11,800,008	-	-	-	107,725,488
<b>2. Adjustments to Operating and Administrative Costs</b>													
Total Non-operating Revenue (Expense) - excluding Federal Grant Funds	49,580	40,754	35,231	29,855	21,560	15,778	14,100	12,685	9,806	-	-	-	229,349
Federal Grant used for Disease Management Services	26,900	26,826	27,062	27,243	27,222	27,356	27,472	27,283	27,163	-	-	-	244,527
<b>3. Total Fiscal Year Program Costs to be Split 60% 20% 20%</b>	10,262,852	8,958,962	14,714,052	14,249,369	11,517,174	11,701,926	12,300,665	11,783,573	11,763,039	-	-	-	107,251,612
<b>4. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Excluding Subsidy Costs)</b>													
Funding Shares													
60% Policyholders	6,157,712	5,375,378	8,828,432	8,549,621	6,910,304	7,021,156	7,380,399	7,070,143	7,057,823	-	-	-	64,350,968
20% Providers	2,052,570	1,791,792	2,942,810	2,849,874	2,303,435	2,340,385	2,460,133	2,356,715	2,352,608	-	-	-	21,450,322
20% Insurers	2,052,570	1,791,792	2,942,810	2,849,874	2,303,435	2,340,385	2,460,133	2,356,715	2,352,608	-	-	-	21,450,322
<b>5. Subsidy Funding Shares</b>													
Premium subsidies	574,590	592,579	598,091	660,331	623,467	629,182	637,088	628,457	620,489	-	-	-	5,564,274
Deductible Subsidies	46,339	64,105	84,608	74,856	60,921	59,306	46,377	48,880	39,496	-	-	-	524,888
Subsidy - coinsurance out-of-pocket Max	6,291	27,988	52,768	64,362	81,365	89,933	108,315	105,466	105,740	-	-	-	642,228
Total Subsidies	627,220	684,672	735,467	799,549	765,753	778,421	791,780	782,803	765,725	-	-	-	6,731,390
Federal Grant Funds Applied to Low Income Subsidies	(551,303)	(568,815)	(574,313)	(634,974)	154,931	-	-	-	-	-	-	-	(2,174,474)
Net Subsidy Funding Needed	75,917	115,857	161,154	164,575	920,684	778,421	791,780	782,803	765,725	-	-	-	4,556,916
Subsidy Funding Needed by Source in addition to Section 3 Funding Shares													
Providers	37,959	57,929	80,577	82,287	460,342	389,211	395,890	391,402	382,863	-	-	-	2,278,460
Insurers	37,958	57,928	80,577	82,288	460,342	389,210	395,890	391,401	382,862	-	-	-	2,278,456
	75,917	115,857	161,154	164,575	920,684	778,421	791,780	782,803	765,725	-	-	-	4,556,916
<b>6. Year-to-Date Adjusted Program Costs Under s.149.143(1) (Including Subsidy Costs)</b>													
Policyholders	6,157,712	5,375,378	8,828,432	8,549,621	6,910,304	7,021,156	7,380,399	7,070,143	7,057,823	-	-	-	64,350,968
Providers	2,090,529	1,849,721	3,023,387	2,932,161	2,763,777	2,729,596	2,856,023	2,748,117	2,735,471	-	-	-	23,728,782
Insurers	2,090,528	1,849,720	3,023,387	2,932,162	2,763,777	2,729,595	2,856,023	2,748,116	2,735,470	-	-	-	23,728,778
<b>7. Operating Revenues by Source</b>													
Policyholders													
Premium	6,867,560	7,008,933	7,082,969	6,874,668	7,037,054	7,084,227	6,926,048	7,004,356	7,055,279	-	-	-	62,941,094
Premium and Deductible Subsidies Credited to Policyholders	574,590	592,579	598,091	660,331	623,467	629,182	637,088	628,457	620,489	-	-	-	5,564,274
Subtotal	7,442,150	7,601,512	7,681,060	7,534,999	7,660,521	7,713,409	7,563,136	7,632,813	7,675,768	-	-	-	68,505,368
Providers	2,352,115	1,820,231	2,896,930	2,524,563	2,209,057	2,043,307	2,021,631	1,965,436	1,962,340	-	-	-	19,795,610
Insurers	1,842,305	1,881,548	2,156,756	2,133,182	2,221,651	2,205,148	2,259,176	2,247,677	2,300,584	-	-	-	19,248,027
Total	11,636,570	11,303,291	12,734,746	12,192,744	12,091,229	11,961,864	11,843,943	11,845,926	11,938,692	-	-	-	107,549,005

(cont)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date
(cont)													
<b>8. Interim Estimate of Surplus/(Deficit) Account Balance for 2009</b>													
<b>Policyholders</b>													
Prior Period Surplus / (Deficit)	15,869,036	17,153,474	19,379,608	18,233,586	17,217,614	17,967,221	18,651,709	18,832,986	19,395,656	-	-	-	15,869,036
Premium (Including Premium and Deductible Subsidies)	7,442,150	7,601,512	7,681,060	7,534,999	7,660,521	7,713,409	7,563,136	7,632,813	7,675,768	-	-	-	68,505,368
Less Cost	6,157,712	5,375,378	8,828,432	8,549,621	6,910,304	7,021,156	7,380,399	7,070,143	7,057,823	-	-	-	64,350,968
Less Distribution to Policyholders	-	-	(1,350)	1,350	610	7,765	1,460	-	(1,460)	-	-	-	8,375
Monthly Change	1,284,438	2,226,134	(1,146,022)	(1,015,972)	749,607	684,488	181,277	562,670	619,405	-	-	-	4,146,025
Ending Surplus / (Deficit)	17,153,474	19,379,608	18,233,586	17,217,614	17,967,221	18,651,709	18,832,986	19,395,656	20,015,061	-	-	-	20,015,061
Policyholders's RBC Target Reserves	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	(9,495,391)	-	-	-	(9,495,391)
Ending Surplus / (Deficit) Net of RBC Reserves	7,658,083	9,884,217	8,738,195	7,722,223	8,471,830	9,156,318	9,337,595	9,900,265	10,519,670	-	-	-	10,519,670
<b>Providers</b>													
Prior Period Surplus / (Deficit)	9,610,597	9,872,183	9,842,693	9,716,236	9,308,638	8,753,918	8,067,629	7,233,237	6,450,556	-	-	-	9,610,597
Contribution	2,352,115	1,820,231	2,896,930	2,524,563	2,209,057	2,043,307	2,021,631	1,965,436	1,962,340	-	-	-	19,795,610
Less Cost	2,090,529	1,849,721	3,023,387	2,932,161	2,763,777	2,729,596	2,856,023	2,748,117	2,735,471	-	-	-	23,728,782
Monthly Change	261,586	(29,490)	(126,457)	(407,598)	(554,720)	(686,289)	(834,392)	(782,681)	(773,131)	-	-	-	(3,933,172)
Ending Surplus / (Deficit)	9,872,183	9,842,693	9,716,236	9,308,638	8,753,918	8,067,629	7,233,237	6,450,556	5,677,425	-	-	-	5,677,425
Providers's RBC Target Reserves	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	-	-	-	(3,165,130)
Ending Surplus / (Deficit) Net of RBC Reserves	6,707,053	6,677,563	6,551,106	6,143,508	5,588,788	4,902,499	4,068,107	3,285,426	2,512,295	-	-	-	2,512,295
<b>Insurers</b>													
Prior Period Surplus / (Deficit)	9,962,942	9,714,719	9,746,547	8,879,916	8,080,936	7,538,810	7,014,363	6,417,516	5,917,077	-	-	-	9,962,942
Assessment	1,842,305	1,881,548	2,156,756	2,133,182	2,221,651	2,205,148	2,259,176	2,247,677	2,300,584	-	-	-	19,248,027
Less Cost	2,090,528	1,849,720	3,023,387	2,932,162	2,763,777	2,729,595	2,856,023	2,748,116	2,735,470	-	-	-	23,728,778
Monthly Change	(248,223)	31,828	(866,631)	(798,980)	(542,126)	(524,447)	(596,847)	(500,439)	(434,886)	-	-	-	(4,480,751)
Ending Surplus / (Deficit)	9,714,719	9,746,547	8,879,916	8,080,936	7,538,810	7,014,363	6,417,516	5,917,077	5,482,191	-	-	-	5,482,191
Insurer's RBC Target Reserves	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	(3,165,130)	-	-	-	(3,165,130)
Ending Surplus / (Deficit) Net of RBC Reserves	6,549,589	6,581,417	5,714,786	4,915,806	4,373,680	3,849,233	3,252,386	2,751,947	2,317,061	-	-	-	2,317,061
Total HIRSP Retained Earnings	36,740,376	38,968,848	36,829,738	34,607,188	34,259,949	33,733,701	32,483,739	31,763,289	31,174,677	-	-	-	31,174,677
Total RBC Target Reserves	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	(15,825,651)	-	-	-	(15,825,651)
Total Retained Earnings in Excess of RBC Target Reserves	20,914,725	23,143,197	21,004,087	18,781,537	18,434,298	17,908,050	16,658,088	15,937,638	15,349,026	-	-	-	15,349,026

**Health Insurance Risk-Sharing Plan Authority  
Monthly Provider Contribution Report  
As of September 2009 Month End (09/28/2009)**

<b>Provider Contribution Calculation for the Current Month - Claims by Claim Type</b>						
Claims Incurred 1/1/2008 and After						
Claim Type	Billed Charges		HIRSP Fee Schedule	HIRSP Allowed	Provider Contribution	HIRSP Paid
Professional	\$ 7,622,750.29		\$ 4,238,611.73	\$ 3,436,553.85	\$ 802,057.88	\$ 2,364,173.28
Hospital Outpatient	\$ 4,903,747.24		\$ 3,274,155.01	\$ 2,643,409.95	\$ 630,745.06	\$ 2,139,941.18
Hospital Inpatient	\$ 4,934,891.82		\$ 2,778,043.73	\$ 2,243,987.07	\$ 534,056.66	\$ 2,123,469.34
Nursing Home	\$ 42,684.90		\$ 38,333.43	\$ 31,003.93	\$ 7,329.50	\$ 30,199.23
Other	\$ 872,197.98		\$ 634,162.51	\$ 524,111.31	\$ 110,051.20	\$ 362,522.32
<b>Total</b>	<b>\$ 18,376,272.23</b>		<b>\$ 10,963,306.41</b>	<b>\$ 8,879,066.11</b>	<b>\$ 2,084,240.30</b>	<b>\$ 7,020,305.35</b>

Claims Incurred Prior to 1/1/2008						
Claim Type	Billed Charges	U&C Percentage	Usual and Customary	HIRSP Allowed	Provider Contribution	HIRSP Paid
<b>Total</b>	<b>\$ (14,956.56)</b>	<b>28.5%</b>	<b>\$ (10,693.94)</b>	<b>\$ (8,575.32)</b>	<b>\$ (2,118.62)</b>	<b>\$ (6,436.39)</b>

Provider Contribution on the Increase(Decrease) in Unpaid Losses	\$ (119,782.00)
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<b>Total Provider Contribution</b>	<b>\$ 1,962,339.68</b>
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\* Note: Medicare supplement is excluded from this report.

**Exhibit 1**  
**Wisconsin Health Insurance Risk-Sharing Plan**  
**Breakdown of Incurred Claims and Earned Premium**  
**by Quarter and Plan**

<b>1Q08</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$15,501,506	\$8,912,951	173.9%	\$1,147.58	\$659.83	
\$2,500	\$17,862,484	\$13,682,977	130.5%	\$641.91	\$491.72	
\$3,500 HSA	\$59,184	\$239,700	24.7%	\$106.64	\$431.89	
\$5,000	1,842,327	2,067,147	89.1%	340.23	381.74	
Medicare Supplement	1,695,055	1,016,804	166.7%	585.11	350.99	
<b>Total</b>	<b>\$36,960,556</b>	<b>\$25,919,578</b>	<b>142.6%</b>	<b>\$736.24</b>	<b>\$516.31</b>	
<b>2Q08</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$15,132,418	\$8,129,129	186.2%	\$1,222.03	\$656.47	
\$2,500	19,375,593	12,031,373	161.0%	720.71	447.53	
\$3,500 HSA	235,833	311,443	75.7%	291.51	384.97	
\$5,000	1,829,111	2,042,935	89.5%	313.85	350.54	
Medicare Supplement	1,693,361	1,005,634	168.4%	591.05	351.01	
<b>Total</b>	<b>\$38,266,315</b>	<b>\$23,520,514</b>	<b>162.7%</b>	<b>\$784.64</b>	<b>\$482.28</b>	
<b>3Q08</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$14,032,391	\$7,800,642	179.9%	\$1,186.37	\$659.51	
\$2,500	19,458,134	11,920,269	163.2%	730.41	447.46	
\$3,500 HSA	399,829	420,224	95.1%	370.56	389.46	
\$5,000	2,430,075	2,253,875	107.8%	377.93	350.52	
Medicare Supplement	1,414,705	1,002,917	141.1%	497.96	353.02	
<b>Total</b>	<b>\$37,735,134</b>	<b>\$23,397,927</b>	<b>161.3%</b>	<b>\$772.98</b>	<b>\$479.29</b>	
<b>4Q08</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$14,096,221	\$7,526,300	187.3%	\$1,240.86	\$662.53	
\$2,500	22,375,692	11,782,502	189.9%	853.19	449.27	
\$3,500 HSA	626,643	506,044	123.8%	486.90	393.20	
\$5,000	3,026,163	2,444,488	123.8%	434.23	350.77	
Medicare Supplement	1,226,006	1,008,190	121.6%	434.91	357.64	
<b>Total</b>	<b>\$41,350,725</b>	<b>\$23,267,524</b>	<b>177.7%</b>	<b>\$849.77</b>	<b>\$478.16</b>	
<b>1Q09</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$9,363,204	\$5,460,674	171.5%	\$1,177.76	\$686.88	
\$2,500	18,744,211	12,211,896	153.5%	703.27	458.18	
\$3,500 HSA	1,145,103	667,990	171.4%	694.42	405.09	
\$5,000	3,259,931	3,539,260	92.1%	335.94	364.72	
Medicare Supplement	1,535,763	886,659	173.2%	552.23	318.83	
<b>Total</b>	<b>\$34,048,211</b>	<b>\$22,766,479</b>	<b>149.6%</b>	<b>\$698.61</b>	<b>\$467.13</b>	
<b>2Q09</b>						
Plan	Total Dollars			Per Member Per Month		
	Incurred Claims	Earned Premium	Loss Ratio	Incurred Claims	Earned Premium	
\$1,000	\$10,229,006	\$5,213,270	196.2%	\$1,343.09	\$684.52	
\$2,500	21,346,298	12,259,577	174.1%	796.77	457.60	
\$3,500 HSA	921,167	732,792	125.7%	505.86	402.41	
\$5,000	3,645,916	3,761,369	96.9%	354.01	365.22	
Medicare Supplement	1,479,032	900,164	164.3%	526.91	320.69	
<b>Total</b>	<b>\$37,621,419</b>	<b>\$22,867,172</b>	<b>164.5%</b>	<b>\$762.59</b>	<b>\$463.52</b>	

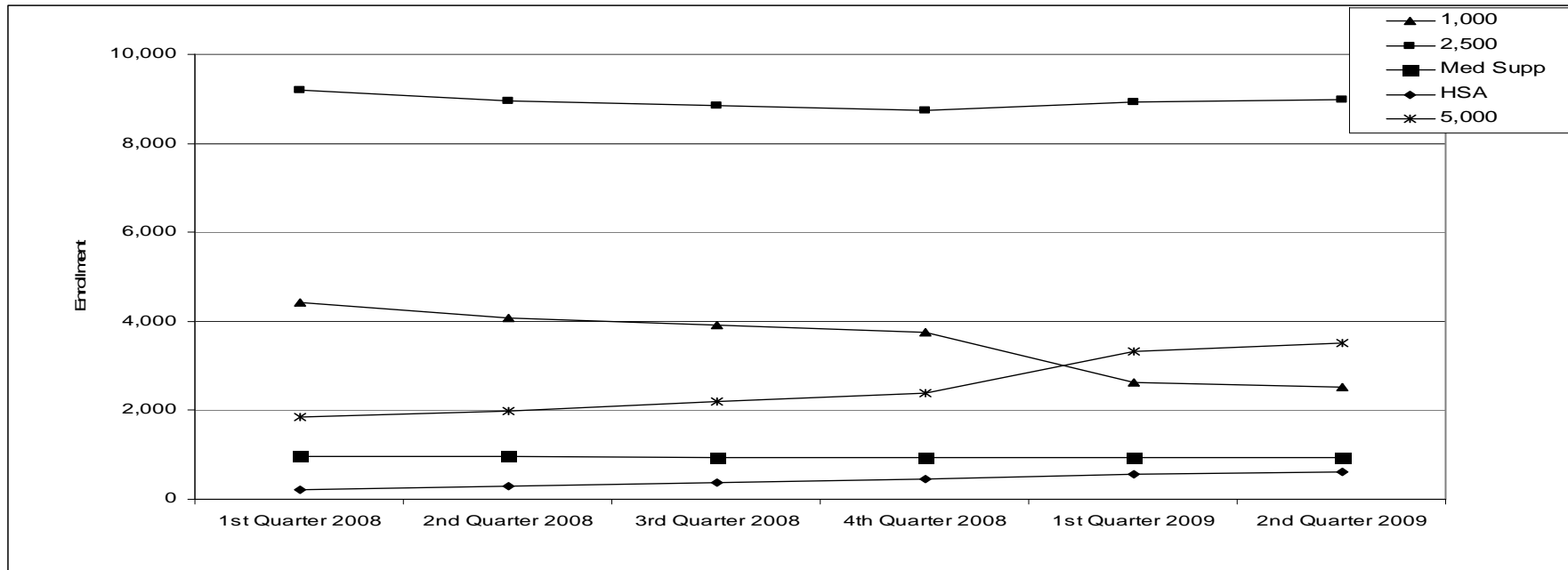
NOTES: Loss Ratio = Incurred Claims / Earned Premiums  
Earned Premium includes Premium Subsidies  
Incurred Claims include Provider Contributions  
Administrative Expenses are not included in this exhibit  
Incurred Claims and Earned Premiums are updated quarterly and restated to reflect the most current information available as of September 30, 2009

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

Third Quarter 2009  
**16,637**

Third Quarter 2008  
**16,273**

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	4,085	3,905	3,752	2,635	2,529	2,392	
2,500	9,206	8,948	8,839	8,732	8,925	8,980	8,966	
Med Supp	967	953	946	937	932	947	957	
HSA	213	301	381	455	575	622	660	
5,000	1,854	1,994	2,202	2,376	3,321	3,499	3,662	
<b>Total</b>	<b>16,662</b>	<b>16,281</b>	<b>16,273</b>	<b>16,252</b>	<b>16,388</b>	<b>16,577</b>	<b>16,637</b>	



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

<b>Total Subsidy by Plan</b>			
<b>Plan</b>		<b>Number of Policyholders</b>	<b>% of Total</b>
HIRSP 1,000	Non-subsidized	1,409	8.5%
	Subsidized	983	5.9%
	<b>Total</b>	<b>2,392</b>	<b>14.4%</b>
HIRSP 2,500	Non-subsidized	7,051	42.4%
	Subsidized	1,915	11.5%
	<b>Total</b>	<b>8,966</b>	<b>53.9%</b>
HIRSP Medicare Supplement	Non-subsidized	564	3.4%
	Subsidized	393	2.4%
	<b>Total</b>	<b>957</b>	<b>5.8%</b>
HIRSP Health Savings Account	Non-subsidized	570	3.4%
	Subsidized	90	0.5%
	<b>Total</b>	<b>660</b>	<b>4.0%</b>
HIRSP 5,000	Non-subsidized	2,905	17.5%
	Subsidized	757	4.6%
	<b>Total</b>	<b>3,662</b>	<b>22.0%</b>
<b>Non-subsidized Total</b>		<b>12,499</b>	<b>75.1%</b>
<b>Subsidized Total</b>		<b>4,138</b>	<b>24.9%</b>
<b>Grand Total</b>		<b>16,637</b>	<b>100.0%</b>

<b>Total Subsidy by Household Income</b>		
<b>Household Income</b>	<b>Number of Policyholders</b>	<b>% of Total</b>
\$30,000 - \$32,999	221	5.3%
\$25,000 - \$29,999	451	10.9%
\$20,000 - \$24,999	723	17.5%
\$17,000 - \$19,999	423	10.2%
\$14,000 - \$16,999	399	9.6%
\$10,000 - \$13,999	572	13.8%
\$9,999 Under	1,349	32.6%
<b>Total</b>	<b>4,138</b>	<b>100.0%</b>

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

<b>Summary of Monthly Application Activity</b>	
Number of Applications Pending August	192
Number of Applications Received September	336
Number of Applications Rejected September	6
Number of Applications Closed September	60
Number of Applications Pending September	166
Number of Applications Approved September	296

<b>Detail of Applications Rejected</b>	
65 or older	0
Current Medicaid Coverage	1
Currently covered by other insurance	1
Did not qualify for lost employer coverage.	0
Eligible for Group Health Coverage	2
Insufficient Premium Submitted	0
No Medical Reason	0
Not a Wisconsin Resident	1
Previous HIRSP <12 Months Ago	1
<b>Total</b>	<b>6</b>

<b>Detail of Applications Closed</b>	
Applicant Request	5
Application Data requested; never received	12
Proper eligibility requested; never received	43
<b>Total</b>	<b>60</b>

<b>Applications Approved in 2009*</b>						
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	19	169	4	33	124	349
April	32	193	2	33	106	366
May	16	153	4	24	123	320
June	28	191	3	24	164	410
July	20	148	4	29	108	309
August	17	131	4	20	96	268
September	21	176	1	26	134	358
October						
November						
December						
<b>Total</b>	<b>203</b>	<b>1480</b>	<b>29</b>	<b>244</b>	<b>1104</b>	<b>3060</b>

<b>Disenrollment in 2009</b>						
Date	1,000	2,500	Med Supp	3,500	5,000	Total
January	124	227	25	4	63	443
February	67	151	6	5	39	268
March	49	145	4	5	42	245
April	72	187	16	14	61	350
May	50	124	8	9	60	251
June	44	133	8	15	66	266
July	73	171	5	13	69	331
August	56	157	11	5	70	299
September	46	149	2	9	65	271
October						
November						
December						
<b>Total</b>	<b>581</b>	<b>1,444</b>	<b>85</b>	<b>79</b>	<b>535</b>	<b>2,724</b>

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

# HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY

## Monthly Eligibility Report September, 2009

A.	Medicare Eligible	1
B.	HIV +	2
C.	Eligible Individual	180
D.	Letter of Medical Eligibility	113
	1. <i>Letter of Rejection By:</i>	
	<i>American Community Mutual Insurance</i>	7
	<i>American Family</i>	3
	<i>American National Life Insurance Company of Texas</i>	1
	<i>American Republic</i>	10
	<i>Arise</i>	5
	<i>Assurant Health</i>	22
	<i>Blue Cross &amp; Blue Shield United of Wisconsin</i>	31
	<i>Celtic Life Insurance Company</i>	4
	<i>Central Reserve Life Insurance</i>	1
	<i>Consumer Life Insurance Company</i>	2
	<i>Dean Health Plan</i>	4
	<i>Golden Rule Insurance Company</i>	22
	<i>Great West Healthcare</i>	1
	<i>Humana Insurance Company</i>	44
	<i>Insurers Administrative Corporation</i>	1
	<i>Mid-West National Life Insurance Company of</i>	1
	<i>Pekin Life Insurance</i>	3
	<i>Security Health Plan</i>	10
	<i>Unity Health Plan</i>	1
	<i>Wisconsin Physicians Service Insurance</i>	51
	2. <i>Notice of Benefit Reduction</i>	0
	3. <i>Notice of Premium increase due to a Health Reason</i>	0
Total		296
	Eligible individual as percent of total enrollment	61%

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

**Grievance**

<u>Type of Grievance</u>		<u># of Grievances</u>
	Drug & Drug Formulary	0
	Enrollment/Eligibility Requirements	0
	Not Covered Benefit	6
	Not Medically Necessary	9
	Plan Administration	17
	Prior Authorization	2
	Experimental Treatment	2
	Billing/Claim Processing	0
<u>Grievance Committee Decision</u>		
	Closed Prior to Committee	0
	Approved	16
	Upheld Denial	15
	Partial Approval	5
<b>Total Grievances Received</b>		<b>36</b>

**Appeal**

<u>Type of Appeal</u>		<u># of Appeal</u>
	Drug & Drug Formulary	1
	Enrollment/Eligibility Requirements	0
	Experimental Treatment	0
	Not Medically Necessary	2
	Plan Administration	4
	Not Covered Benefit	5
	Prior Authorization	0
	Billing/Claim Processing	0
<u>Appeal Committee Decision</u>		
	Closed Prior to Committee	0
	Approved	3
	Upheld Denial	5
	Upheld Denial with IRO Rights	2
	Partial Approval	2
<b>Total Appeals Received</b>		<b>12</b>