

HIRSP Authority
Statement of Revenues, Expenses and Changes in Retained Earnings
Calendar Year 2010
As of June 30, 2010

	Actual	Budget
Premiums	\$ 40,073,222	\$ 39,872,599
Insurer Assessments	\$ 15,102,941	\$ 15,102,941
Provider Contributions	<u>\$ 13,826,813</u>	<u>\$ 16,216,124</u>
Total Operating Revenue	\$ 69,002,976	\$ 71,191,664
Medical Losses	\$ 46,873,335	\$ 57,348,643
Pharmacy Losses	\$ 16,960,540	\$ 16,161,691
Administration	<u>\$ 3,395,454</u>	<u>\$ 3,313,286</u>
Total Operating Expenses	\$ 67,229,329	\$ 76,823,620
Non-operating Revenue (Expense)	\$ 3,418,278	\$ 3,429,056
Net Income (Loss)	\$ 5,191,925	\$ (2,202,900)
Total Net Assets Beginning Balance	<u>\$ 27,467,504</u>	
Total Net Assets Ending Balance*	\$ 32,659,429	

Financial Highlights:

- Operating revenues were below budget by \$2.2 million due to a shortfall in provider contribution.
- Operating expenses were \$9.6 million below budget due to the favorable medical loss experience.
- The net income of \$5.2 million exceeded the budget net income by \$7.4 million.

* Note: A portion of net assets are required as risk-based capital to protect the HIRSP Authority from unexpected significant expenses. Net assets are also utilized to reduce the 60/20/20 funding required from HIRSP stakeholders. For example the portion of net assets attributable to policyholders is used to reduce the required premium payment.