

STATE OF UTAH
COMPREHENSIVE HEALTH INSURANCE POOL



FISCAL YEAR 2007 ANNUAL REPORT
TO THE UTAH STATE LEGISLATURE

Jon Huntsman, Jr.
Governor

Douglas Hasbrouck, M.D.
Chairman of the Board

January 14, 2008

Dear Utah State Legislator:

On behalf of the Board of Directors of the Utah Comprehensive Health Insurance Pool (HIPUtah or Pool), I am pleased to present the Fiscal Year (FY) 2007 Annual Report of HIPUtah activities.

In 1991, the state established HIPUtah to specifically address the problem of people with serious medical conditions, such as cancer, diabetes, heart disease, and other chronic illnesses that made them medically uninsurable and, as a result, unable to obtain health insurance at any price. This program is managed by a volunteer Board of Directors ("Board") and administered privately by SelectHealth, pursuant to a competitive bid contract.

The FY 2007 Annual Report contains the following highlights:

- Executive Summary
- HIPUtah Mission Statement
- Financial Statements and Projections
- HIPUtah at a Glance
- HIPUtah Challenges
- Profile of Utahns Served

As HIPUtah enters its 17th year of service, it provides health care coverage to approximately 3,371 individuals. These individuals are medically uninsurable and, without the program, are exposed to the risk of catastrophic medical expenses.

HIPUtah enrollment and claim costs continue to increase. Because of this trend, the HIPUtah Board requests that the Legislature strongly consider its continued support in providing adequate funding for HIPUtah to maintain actuarially-based reserves. This will enable the program to continue providing health insurance coverage to this at-risk population in the state.

Thank you for your continued consideration of the people served by this important program. You may direct follow-up inquiries about this report to HIPUtah's Executive Director, Tomi Ossana, at (801) 485-2830.

Sincerely,



Douglas Hasbrouck, M.D.
HIPUtah Board Chair

EXECUTIVE SUMMARY

FY Ending June 2007

CREATED	1990 Legislature
PURPOSE	Provide reasonable access to health insurance for Utahns who are uninsurable
BEGAN OPERATIONS	September 1991
OPERATED BY	Volunteer Board, Contracted Management and Administration
ENROLLMENT	3,371 Members as of June 30, 2007

ACCOMPLISHMENTS

- Sustained reduction in administrative fees on a per member per month (PMPM) basis and better discounted rates on HIPUtah's provider network due to administrative services provided by SelectHealth. Savings are estimated to be approximately \$2.6 million; \$22.7 million over the 5 year period of the contract.
- Increased premiums overall by 5 percent for FY 2008.
- Better than anticipated year due to a slowing of enrollment growth, loss of Ryan White and Medicare eligibles, and the introduction of the high deductible health plan offered to enrollees.
- Received a no-cost expansion on the Federal Grant for FY 2005 losses and a low-income subsidy program.
- Implemented 2007 Legislative changes.

The nature of high risk pools, such as HIPUtah, is to offer health coverage primarily to uninsurable persons. The normal mix of healthy, or insurable, persons is missing from the risk pool membership. Because of the heavy concentration of persons with chronic conditions, and the necessity of charging members premiums that are less than the actual experience of the group, risk pools will always produce annual losses. Unlike private health insurers, the business of risk pools is not to make a profit, but to provide coverage and pay the claims of their high risk members.

BACKGROUND - THREE ROLES OF HIPUTAH

I. HIPUtah makes it possible for individual Utahns with an uninsurable medical condition to purchase insurance.

In 1991, the state established the Utah Comprehensive Health Insurance Pool (HIPUtah), 31A-29-101 et. seq., to specifically address the problem of people with serious medical conditions, such as cancer, diabetes, heart disease, and other chronic illnesses, that made them medically uninsurable and, as a result, unable to obtain medical insurance at any price.

HIPUtah is a state-subsidized high risk insurance pool. The idea behind the Pool is to run it like any other insurance company, with two exceptions:

- Only uninsurable individuals and HIPAA eligible individuals are accepted into the Pool; and
- The state subsidizes costs not covered by premiums.

Health underwriting criteria, set by the Utah Insurance Department at twice the expected claims cost of an average person, were developed to determine eligibility for the Pool.

Premiums for the Pool are based on two principles: (1) premiums should exceed what would be available in the private health insurance market (private market) to help cover the unusually high costs of these uninsurable individuals; and (2) premiums are imposed on a per person basis. While it is true that high premiums make it difficult for many Utahns to participate, HIPUtah makes the possibility of coverage a reality for those with uninsurable conditions who were denied coverage in the past.

II. HIPUtah is used to satisfy a federal requirement that arises from the Health Insurance Portability and Accountability Act of 1996 (“HIPAA Portability”).

HIPAA portability requires states to guarantee that a person can obtain an individual policy if that person is no longer eligible to be covered under an employer group policy, regardless of health condition. Utah complies with this requirement in two ways: (1) HIPUtah accepts all HIPAA eligibles regardless of health condition; and (2) state law guarantees an individual policy available through the private market if the person is healthy in accordance with SB 60 as demonstrated below.

HIPUtah is a required component of the State of Utah’s alternative mechanism for HIPAA portability which assures individuals the opportunity to obtain health insurance. This protects Utah’s individual market from the extra costs associated with uninsurables entering the individual market from group coverage.

III. HIPUtah is an important link in the overall well-being of the individual and small group insurance markets.

In 1997, the Legislature passed SB 60, codified as §31A-30-108. This bill guaranteed that any individual could purchase health insurance, regardless of health condition. SB 60 did this by dividing the individual insurance market into two groups: (1) those who qualified for HIPUtah because they were uninsurable; and (2) those that were healthy enough to be absorbed into the private market. SB 60 then required the private market to cover any person who was healthy enough to be in the private market.

SB 60 represents a monumental commitment on the part of the state and the private insurance market to guarantee that every Utahn is able to get health insurance through either the private market or HIPUtah.

Ultimately, the commitment of the private health insurance market to SB 60 turns on the willingness of the state to fund HIPUtah at an appropriate level because funding determines the line between those eligible for HIPUtah and those with automatic coverage in the private market.

Without such a commitment, the private market would have had to absorb a disproportionate number of uninsurables - the result of which would have likely increased premiums and possibly even destabilized the individual market as a whole.

ADDITIONAL INFORMATION

HIPUtah enrollment has grown steadily since the first subscribers were enrolled in September 1991 until January 1996, when approximately one-third became eligible in the private market due to open enrollment legislation for small groups defined as size 2-50. Enrollment again dropped beginning June 1996 as a result of a Board decision to freeze further enrollment in HIPUtah due to limited funds. Enrollment began to climb rapidly after the freeze was removed in March 1997 when additional funding was approved by the 1997 Legislature. The Board's objective has been to allow steady growth which reflects accessibility to the Pool while being fiscally responsible. Capping enrollment today will have major consequences in the individual and small group private markets.

HIPUtah is managed by a Board of Directors under Legislative and Insurance Department authority. The Board is voluntary, appointed by the Governor and serves without compensation. The Board has rule-making authority to set premium rates and define underwriting and program management guidelines. The Board members and key staff are identified in Addendum I; an Organizational Chart is attached as Addendum II and outlines HIPUtah's interaction with State Government.

Additionally, the Board chooses administrative support for the program. This includes a contracted executive director, a consulting actuary, and an underwriting auditor. The State of Utah provides accounting, legal, audit and program evaluation support.

As of July 1, 2005 SelectHealth has provided administrative services for HIPUtah. The Administrator serves for a period of three (3) years with two one-year extension options, subject to the terms, conditions, and limitations of the contract between the Board and the administrator.

HIPUTAH MISSION STATEMENT

HIPUtah is a health insurance program for the uninsurable that provides access to quality health care and is to be administered on a fiscally sound basis.

GOALS

1. Maintain financial solvency within the budgetary parameters provided by the State of Utah.
2. Maintain or lower the uninsured/uninsurable population in the State of Utah.
3. Provide flexible product offerings to meet the insurance needs of a diverse population.
4. Educate legislators, the general public and other key constituencies about the role HIPUtah plays within the overall health care financing system.
5. Assess the health care needs of HIPUtah enrollees and implement effective healthcare management programs as appropriate.
6. Maintain status as the State's Alternative Mechanism for HIPAA eligibles.
7. Research additional funding mechanisms for HIPUtah.

OBJECTIVES

HIPUtah's core strategic considerations for 2007-2008 are the continuing evaluation of HIPUtah's structure including the benefit plan(s), the underwriting and actuarial analysis to ensure that applicants are appropriately placed in the pool, the relationship to Utah's private insurance carriers, and the assurances that reserves are maintained at an appropriate level.

1. Develop plans to assure optimal access, financial resources, and public support to grow the program.
2. Implement 2008 Legislative Changes that affect HIPUtah.
3. Conduct an external evaluation on the scope of work in the administrator's contract.
4. Improve enrollee health cost and life quality by working with the administrator or other resources to develop long term case and disease management programs for conditions such as asthma, congestive heart failure, and diabetes.
5. Implement mechanisms to increase access to health insurance for the uninsurable including premium level adjustments, low-income subsidies, and coverage for special risk families.

FINANCIAL STATEMENTS AND PROJECTIONS

FY 2007 FINANCIAL REVIEW

The Utah Legislature appropriated \$11 million to HIPUtah for fiscal year 2007. This was done in order to keep HIPUtah financially sound and to continue the effort to maintain HIPUtah's net asset reserves at an adequate level.

The net assets of HIPUtah increased from \$21.42 million at June 30, 2006, to \$27.84 million at June 30, 2007. This \$6.42 million or 29.97 percent increase in net assets from the prior fiscal year was primarily due to state appropriation funding exceeding operating losses. HIPUtah continues to have operating expenses greater than premium revenue; however, the operating loss of \$6.09 million in fiscal year 2007 was close to the prior year amount. This was because medical and drug claim increases were offset by premium increases. The increase in claim cost per enrollee was also less than market medical trends due to increased enrollment in the higher deductible plans.

The operating losses for fiscal year 2006 and 2007 are both less than the operating loss in fiscal year 2005 due to the transition to SelectHealth as HIPUtah's Program Administrator. Effective July 1, 2005, SelectHealth began providing administrative services for HIPUtah. This change reduced the administrative fees and provided a better discount on the medical and drug provider network used by HIPUtah.

In June 2006, HIPUtah enrollment was 3,271. By June 2007, enrollment had increased to 3,371, a 3.40 percent increase from the prior year. Enrollment for fiscal year 2006 had increased 5.83 percent. During fiscal year 2007 there was an eligibility verification which contributed to slower enrollment growth. The most recent two years enrollment growth has been less than the expected long run average growth rate of 8 percent.

The average drug and medical claim costs per person per month during fiscal year 2007 decreased 3.70 percent from the prior year. However, large variations in average claim costs from year to year are not unusual for a small population such as the HIPUtah pool. This is because it is a high risk pool which covers the uninsurable of the State of Utah. Due to the nature of high risk pools costs may fluctuate widely from year to year.

An overall increase in premiums of approximately 9 percent was implemented on July 1, 2006. This was done to help cover increases in drug and medical costs. On July 1, 2006, HIPUtah introduced a \$5,000 qualified High Deductible Health Plan (HDHP) to help retain lower cost enrollees. At the end of fiscal year 2007, 726 out of 3,377 enrollees chose to move to the HDHP. Due to this movement after the premium increase, the average premium actually paid increased only 1.24 percent during fiscal year 2007. Member premiums covered 74.67 percent of claims and administrative costs for fiscal year 2007.

HIPUtah received in fiscal year 2007 a new \$2.41 million operational/bonus high risk pools federal grant from the Centers of Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services. Due to this grant, HIPUtah introduced a Low Income Premium Waiver program on January 1, 2007. In fiscal year 2007, \$242,000 of this grant was spent on the Low Income Premium Waiver program. The remainder of the grant must be expended by March 31, 2009.

Following is information regarding HIPUtah's appropriations, premiums vs. claims, FY 2007 balance sheet and statement of revenues, expenses and changes in retained earnings:

APPROPRIATIONS through June 30, 2007

YEAR	AMOUNT	YEAR	AMOUNT
1991	\$ 75,000	2000	\$ 3,135,100
1992	\$ 2,000,000	2001	\$ 3,135,100
1993	\$ 2,000,000	2002	\$ 3,009,500
1994	\$ 2,000,000	2003	\$ 2,916,200
1995	\$ 1,250,000	2004	\$ 6,916,200
1996	-0-	2005	\$16,203,900
1997	-0-	2006	\$16,203,900
1998	\$ 5,000,000	2007	\$11,000,000
1999	\$ 4,135,100	2008	\$10,800,000

SUMMARY of PREMIUMS (Earned) and CLAIMS (Incurred) & EXPENSES
From September 1, 1991 – June 30, 2007

FISCAL YEAR:	PREMIUM:	CLAIMS & EXPENSES:	LOSS RATIO:	OPERATING LOSS:
1992	\$ 466,987	\$ 484,476	1.04	\$ (17,489)
1993	\$ 1,171,208	\$ 1,623,721	1.39	\$ (452,513)
1994	\$ 1,692,605	\$ 2,906,036	1.72	\$ (1,213,431)
1995	\$ 2,122,528	\$ 3,003,753	1.42	\$ (881,225)
1996	\$ 1,859,852	\$ 4,145,815	2.23	\$ (2,285,963)
1997	\$ 1,734,669	\$ 3,767,283	2.17	\$ (2,032,614)
1998	\$ 2,361,512	\$ 4,698,388	1.99	\$ (2,336,876)
1999	\$ 3,268,968	\$ 5,354,483	1.64	\$ (2,085,515)
2000	\$ 3,987,621	\$ 5,331,636	1.34	\$ (1,344,015)
2001	\$ 6,715,025	\$ 9,472,910	1.41	\$ (2,757,885)
2002	\$ 6,683,034	\$11,462,634	1.72	\$ (4,779,600)
2003	\$ 9,303,748	\$17,423,778	1.87	\$ (8,120,030)
2004	\$12,262,206	\$22,604,179	1.84	\$ (10,341,973)
2005	\$14,683,781	\$24,075,043	1.64	\$ (9,391,262)
2006	\$16,734,281	\$22,783,059	1.36	\$ (6,048,778)
2007	\$17,958,543	\$24,050,924	1.34	\$ (6,092,381)
Since Inception:	\$103,006,568	\$163,188,118	1.58	\$(60,181,550)

BALANCE SHEET
June 30, 2007 (audited)

ASSETS: Cash and Cash Equivalents \$30,895,399 Premiums A/R <u> \$ 39,436</u> Total Assets <u><u> \$30,934,835</u></u>	LIABILITIES: Benefit Claims Liability \$2,150,281 Unearned Premiums \$206,399 Total A/P <u> \$739,260</u> Total Liabilities <u><u> \$3,095,940</u></u> NET ASSETS: <u><u> \$27,838,895</u></u>
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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
June 30, 2007(audited)

Operating Revenues:	
Charges for Premiums	\$16,734,281
Federal Grant for Low Income Premium Waiver Program	241,817
Total Operating Revenue	<u><u>17,958,543</u></u>
Operating Expenses:	
Program Administrative Fees	1,510,676
Benefit and Drug Claims and Changes in Actuarial Estimates	22,383,186
Other Professional and Technical Services	157,062
Total Operating Expenses	<u><u>24,050,924</u></u>
Total Operating Loss	<u><u>(6,092,381)</u></u>
Non-Operating Revenues (Expenses):	
Interest on Investments and Fair Value Adjustments	1,530,536
Appropriations from the State of Utah	11,000,000
Claims Settlement	(20,000)
Total Non-Operating Revenues (Expenses)	<u><u>12,510,536</u></u>
Change in Net Assets	6,418,155
Total Net Assets – Beginning	<u><u>21,420,740</u></u>
Total Net Assets – Ending	<u><u><u>\$27,838,895</u></u></u>

FY 2008 OUTLOOK

HIPUtah's medical costs, drug costs and enrollment are expected to continue to increase during fiscal year 2008. Enrollment as of June 2007 was 3.40 percent higher than enrollment as of June 2006. The pool is projected to grow at a 10 percent rate during fiscal year 2008. Medical and drug costs are expected to continue to increase during fiscal year 2008 at about 8.50 percent. The projected increase is due to price and utilization increases, together with normal medical inflation. Another cause of these rising costs is the increased use of costly technology, which provides more medical care for extremely ill patients prior to their recovery or death.

State appropriations together with member premiums during fiscal year 2007 covered incurred claims and were sufficient for HIPUtah's net assets to attain the recommended six month net asset reserve level to cover unpredictable claim cost fluctuations. The *Budgetary Procedures Act* was amended in 2004 to help provide guidelines in adopting a budget for HIPUtah each year (see *Utah Code* Section 63-38-2(14) and (16)). Now, according to statute, HIPUtah funding should be based on sound actuarial data and appropriate management of future risk.

The Utah Legislature has increased HIPUtah's funding in an effort to build up HIPUtah's net asset reserve level. HIPUtah ended fiscal year 2007 with \$27.84 million in net assets, which represents a 14.92 month reserve level. The total amount appropriated by the Utah Legislature for fiscal year 2008 was \$10.8 million which was a reduction of \$200,000 from fiscal year 2007. This \$10.8 million appropriation consisted of an additional \$800,000 to HIPUtah's existing \$10 million base budget. With this appropriation, HIPUtah is projected to have a 14.33 month reserve level at the end of fiscal year 2008.

Consistent with the three year projections by statute, the HIPUtah Board requests a three-year ongoing funding level amount to achieve a six-month reserve level by the end of fiscal year 2011 under a 0.8 percent per month enrollment increase scenario. If HIPUtah's base budget is maintained, it is expected to provide a projected 8.89 month reserve level of \$32.86 million by the end of fiscal year 2011.

In addition to the increase in state appropriations for HIPUtah, the Board has taken action to increase funding received through premiums and federal grants, in addition to decreasing administrative costs. Effective July 1, 2007, an overall premium increase of 5 percent was implemented except for new age categories for younger enrollees. HIPUtah will continue to provide subsidies from federal grant funds for HIPUtah enrollees under the Low Income Premium Waiver program fiscal year 2008. HIPUtah will also maintain its contract with SelectHealth, resulting in lower administrator fees and a better discount on the medical and drug provider network used by HIPUtah.

FINANCIAL PROJECTIONS

HIPUtah routinely re-forecasts its financial performance based on current experience, which ensures that reserves are appropriate for this high-risk population. With no change in the program, the Board projects enrollment to increase by 10% for FY 2008, FY 2009, and FY 2010 reflecting projected long-term program experience.

	Projected FY 2008	Projected FY 2009	Projected FY 2010
OPERATING REVENUE			
Charges for Premiums	\$ 18,020,712	\$ 22,127,976	\$ 27,496,883
Federal Grant for Low Income Waiver Premium Waiver Program	1,270,338	900,448	
Total Operating Revenue	<u>19,291,050*</u>	<u>23,028,424</u>	<u>27,496,883</u>
OPERATING EXPENSES			
Administration Fees	1,834,785	2,039,251	2,266,635
Benefit and Drug Claims, Including Change in Claims Liability	25,557,308	30,388,761	36,297,312
Total Operating Expenses	<u>27,392,093</u>	<u>32,428,012</u>	<u>38,563,947</u>
Operating Loss	<u>(8,101,043)</u>	<u>(9,399,588)</u>	<u>(11,067,064)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest on Investments	1,558,584	1,693,374	1,802,843
Appropriations from the State of Utah	10,800,000	10,800,000	10,800,000
Claims Settlement	(10,000)	(10,000)	
Total Non-operating Revenues (Expenses)	<u>12,348,584</u>	<u>12,483,374</u>	<u>12,602,843</u>
Change in Net Assets	4,247,541	3,083,786	1,535,780
Total Net Assets - Beginning	<u>27,838,895</u>	<u>32,086,436</u>	<u>35,170,222</u>
Total Net Assets - Ending	<u>\$ 32,086,436</u>	<u>\$ 35,170,222</u>	<u>\$ 36,706,002</u>

* Represents an overall 5% increase in premium rate 7/01/07, 10% annual enrollment growth.

KEY FACTORS USED IN FINANCIAL PROJECTIONS

Membership

HIPUtah's Consulting Actuary is projecting an annual enrollment growth of 10%.

Medical Cost Trend

Health care inflation or trend is continuing at very high levels. HIPUtah's projected annual trend for medical and pharmacy combined is 8.5%. This is comparable to the trend experienced by some domestic insurers. It is possible that the trend for HIPUtah members could exceed this number. This increased trend is based on current claims experience, the reports of rate increases in the market, increased use of high technology services, and the rapid growth of overall pharmacy costs.

Premium & Investment Income

Premiums for HIPUtah were increased 5% overall as of July 1, 2007. HIPUtah is required by statute to evaluate premium rates each July as compared to the average increase of the five largest carriers of small employer coverage in the state. Premiums may also be reviewed each January. Premium projections assume an 8.5% increase. Investment income earnings are projected to be about \$1.6 million annually. With a continued funding level of \$10.8 million, investment income earnings will remain about \$1.6 million for FY 2008.

Administration

Administrative costs for the program average \$37.70 per member per month for claims administration, medical management, underwriting, disease management and other administrative services. Program management and consultant fees are projected at \$187,000 annually.

HIPUTAH AT A GLANCE

FINANCIAL

- HIPUtah received a total of \$11 million in appropriations for FY 2007 and \$10.8 million for FY 2008.
- Since 1991, HIPUtah has paid approximately \$150 million in benefits for enrollees.
- The average HIPUtah enrollee paid an annual premium of \$5,376 in FY 2007 for these benefits in addition to deductibles and coinsurance.
- Enrollee premiums have covered almost 75% of the claims costs and administrative costs since the inception of the HIPUtah program.
- Premiums were increased by 5% on July 1, 2007. A high deductible health plan was also implemented on July 1, 2006. The average expected yearly premium for FY 2008 is \$5,411. Enrollment and choice of plan may cause that average to change.
- About 6.4% of program cost in FY 2007 was funded by investment income.
- Costs are kept relatively low in Utah, compared to other states, due to the program's simple and effective administration.

ENROLLMENT

- HIPUtah provides individual health insurance for the medically uninsurable and HIPAA eligibles.
- About 34% of HIPUtah's current enrollees are HIPAA eligible.
- The HIPUtah program has received over 14,400 applications since its inception with approximately 13,200 approved.
- By the end of FY 2007 there were 3,371 enrollees.
- Growth has been steady through FY 2007. (See Exhibit F).
- Enrollment growth during FY 2007 was about 6%. In FY 2007, there were 2,316 more member months covered than in FY 2006, or an average of 193 more people.
- In FY 2007, 62% of HIPUtah enrollees had coverage for less than three years.

HIPUTAH CHALLENGES

- **AFFORDABILITY:** Enrollee premium costs range from \$1,716 to \$10,008 per year. Some individuals are priced out of the market. The largest percentage of HIPUtah cancellations are due to cost. Future premiums are expected to increase at medical trend.
- **GROWTH:** Continuing growth in covered individuals will require the Board to carefully monitor program utilization and financial performance to ensure the program's admirable record of stability.
- **ACCESSIBILITY:** HIPUtah will continue with efforts to assure awareness, ease of application, and use to all residents in the State of Utah who are in need and would benefit from the HIPUtah program.
- **RESPONSIVENESS:** Changes in policy (HIPAA), availability of federal grants, health conditions and treatment, underwriting and the individual market require HIPUtah to continuously re-evaluate its plans.
- **EFFECTIVENESS:** The Board continuously examines the role and effectiveness of HIPUtah. This process considers strategic issues, operational plans, underwriting guidelines, and changes in benefits or plan design.
- **COMMUNICATIONS:** HIPUtah has implemented marketing improvements to enhance visibility of the program and its benefits including updated program materials, brochures and newsletters to reach consumers. Methods to increase public and legislative understanding of HIPUtah's role in the community and the health care industry are currently in place.
- **DISEASE MANAGEMENT:** Many HIPUtah enrollees have chronic and costly conditions. Asthma, congestive heart failure, diabetes and other chronic illnesses can dramatically impact cost and life quality. The HIPUtah Board has implemented a disease management program through the administrator.
- **UNDERWRITING:** HIPUtah continues to evaluate its underwriting criteria to ensure that applicants are appropriately in the Pool. An external auditor reviews the system, including a study of the relationship between the "point system" and claims cost to evaluate underwriting effectiveness.

PROFILE OF UTAHNS SERVED

WHO NEEDS HIPUTAH?

Since becoming operational in 1991, HIPUtah has served as an important insurance option for those Utahns who have been turned down by the private insurance market for individual coverage due to an uninsurable health condition. HIPUtah also helps insurers' stability in the private insurance market. There are many different circumstances that cause Utahans to turn to HIPUtah. Such circumstances include:

- Self-employed individuals who want insurance but are rejected due to an uninsurable health condition;
- HIPAA-eligible individuals (generally, persons leaving employer group coverage);
- Individuals reaching lifetime maximums in their insurance policies;
- Individuals reaching lifetime maximums in their employer's self-insured plans;
- Individuals working for an employer who does not offer health insurance benefits;
- Individuals waiting for employer coverage while fulfilling a probationary employment period;
- Changes in self-insured employer or union plans (coverage for retirees under 65 years of age);
- Former employees of bankrupt companies;
- Some recipients of Ryan White Funding (also known as AIDS Drug Assistance Programs);
and
- Spouses and dependents of employees whose employer does not offer dependent health care coverage.

BENEFIT PLANS AND RATES

**Comparison of Benefit Plans
July 1, 2007**

BENEFITS	Option 1	Option 2	Option 3	Option 4 HDHP
Calendar Deductible	\$500	\$1,000	\$2,500	\$5,000
Out-of-Pocket Maximum	\$2,000	\$3,000	\$6,000	\$5,000
Calendar Year Maximum	\$300,000	\$300,000	\$300,000	\$300,000
Lifetime Maximum	1.5 million	1.5 million	1.5 million	1.5 million
Inpatient Hospitalization	20%	20%	20%	0%
Out-Patient Care				
• Office Visits (physician, specialists, consultant)	20%	20%	20%	0%
• Preventive Office Visits	20%	20%	20%	0%*
• Lab/X-ray	20%	20%	20%	0%
• Outpatient Surgery	20%	20%	20%	0%
• Eye exams	Not Covered	Not Covered	Not Covered	Not Covered
• Chiropractic Care	Not Covered	Not Covered	Not Covered	Not Covered
Prescription Drugs				
• Deductible	\$150	\$250	\$500	**
• Coverage – Three tiered				
Tier 1	\$5 Copay	\$5 Copay	\$5 Copay	0%
Tier 2	25%	25%	25%	0%
Tier 3	50%	50%	50%	0%
Emergency	20%	20%	20%	0%
Ambulance	20%	20%	20%	0%
Mental Health				
• Inpatient (10 days)	20%	20%	20%	0%
• Outpatient (20 visits)	20%	20%	20%	0%
Transplants	20%	20%	20%	0%
Skilled Nursing Facility Care	20%	20%	20%	0%
Hospice	20%	20%	20%	0%
Waiting Periods				
Pre-existing Waiting Period	Six Months	Six Months	Six Months	Six Months
Maternity Waiting Period	Ten Months	Ten Months	Ten Months	Ten Months

- Waiting Periods not applicable to HIPAA eligibles.
- Deductible must be met before coinsurance applies.
- Medical deductible is included in the out-of-pocket maximum.
- Option 4 meets the requirements for a Health Savings Account (HSA)
- After satisfying the Calendar Year Maximum Coinsurance amount, HIPUtah will pay 100% of Eligible Medical Expenses in that Calendar Year if Covered Services are provided by a Participating Provider.
- * First dollar coverage for Preventive Services.
- ** All Prescription Drug charges count towards the Calendar Deductible.

**Utah Comprehensive Health Insurance Pool Rates
(HIPUtah)**

**Effective July 1, 2007
Individual Monthly Premiums**

Plan	Option 1	Option 2	Option 3	Option 4
Age	\$500 Deductible	\$1,000 Deductible	\$2,500 Deductible	\$5,000 Deductible
Under 21	\$293	\$255	\$196	\$143
21-25	\$315	\$274	\$211	\$153
26-30	\$364	\$317	\$244	\$177
31-35	\$429	\$373	\$289	\$210
36-40	\$456	\$398	\$306	\$223
41-45	\$488	\$415	\$319	\$231
46-50	\$569	\$483	\$372	\$269
51-55	\$644	\$547	\$421	\$305
56-60	\$756	\$648	\$499	\$382
61-64	\$834	\$707	\$545	\$428

ENROLLMENT BY HEALTH BENEFIT PLAN
Percentage of Enrollees in HIPUtah: FY 2005 to FY 2007*

2005	2006	2007
3,089 Enrollees	3,256 Enrollees	3,343 Enrollees
48% - \$500 Deductible	43% - \$500 Deductible	36% - \$500 Deductible
20% - \$1,000 Deductible	21% - \$1,000 Deductible	19% - \$1,000 Deductible
32% - \$2,500 Deductible	36% - \$2,500 Deductible	28% - \$2,500 Deductible
Not Applicable	Not Applicable	17% - \$5,000 Deductible



■ \$500
■ \$1,000
■ \$2,500
■ \$5,000



■ \$500
■ \$1,000
■ \$2,500
■ \$5,000



■ \$500
■ \$1,000
■ \$2,500
■ \$5,000

*Numbers rounded to nearest percentage

*Average membership over the year

MEMBER PROFILE

The accompanying Exhibits A through G profile the age, gender, residence, medical condition, enrollment, and household income of HIPUtah enrollees. Their characteristics suggest that we are serving adult, employed Utahns with chronic and serious medical conditions who live throughout the state. In summary:

- HIPUtah enrollees reside throughout Utah in close proportion to total population distribution by county. (See Exhibit A.)
- Musculoskeletal system, immunity systems, and circulatory system diseases plus mental disorders are the most prevalent qualifying health conditions among HIPUtah enrollees. These health problems alone are responsible for over 50% of the HIPUtah membership. (See Exhibit B.) These health problems are prevalent in Utah and comprise the major diseases of enrollees in other state risk pools.
- HIPUtah enrollees have various income levels. Forty-one percent of the enrollees have an annual income of \$40,000 or below. (See Exhibit C.) Eight percent of the HIPUtah enrollees make under \$10,000 per year; the average premium paid is \$448 per person per month for an annual total of \$5,376; which represents over 50% of their annual income. (See Exhibit C.)
- Females comprise 60% while males comprise 40% of HIPUtah enrollees. (See Exhibit D.)
- Most enrollees are over 40 years of age. Approximately 7% of all enrollees are children through age 19. (See Exhibit E.)
- HIPUtah enrollment has grown steadily since enrollment began in September 1991. (See Exhibit F.) The Board's objective has been to allow steady growth, which reflects accessibility to the Pool, while being fiscally responsible. Capping enrollment today would have major consequences in the individual and small group private market.
- The percent of utilization by benefit for the HIPUtah Pool is as follows: (See Exhibit G.)

Benefit	7/2006-6/2007	7/2005-6/2006	1/2005-12/2005	1/2004-12/2004
Drugs	23%	24%	25%	26%
Inpatient	27%	25%	28%	30%
Professional	18%	19%	30%	27%
Outpatient	32%	32%	18%	17%

CATASTROPHIC CASES

In FY 2007 there were 42 catastrophic cases out of the all HIPUtah enrollees. An enrollee is considered to be a catastrophic case when claim payments exceeded \$65,000 in a given year. This represents approximately 1% of the membership and 23% of health care expenditures, or \$5,105,238. The average cost per catastrophic case was \$121,553. (See Exhibit G.) These enrollees have highly complex or ongoing medical needs. Case managers are assigned to these cases and help enrollees understand their benefits, work with their medical providers, arrange needed care and identify help in the community.

ADDENDUM I

HIPUTAH BOARD AND ADMINISTRATIVE SUPPORT

HIPUTAH BOARD

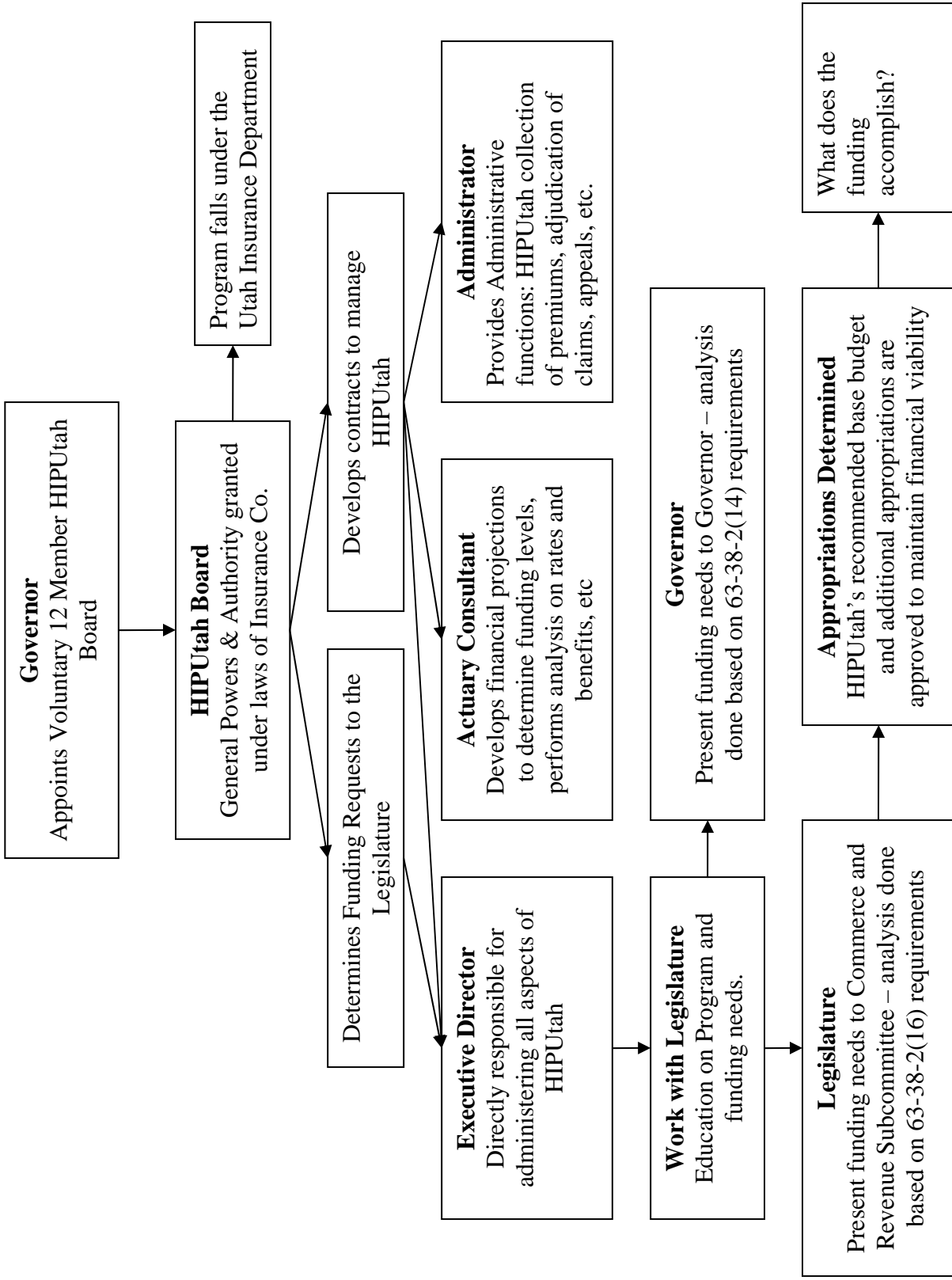
MICHAEL BAHR , CEO Altius Health Plans (Health Maintenance Organization Representative)	MATTHEW MINKEVITCH , Executive Director The Road Home (Employer Representative)
VICTOR GIBB , Chief Legal Counsel DMBA (Health Insurance Company Representative)	BYRON T. OKUTSU , Director of Managed Care University Health Care (Hospital Representative)
DOUGLAS HASBROUCK, M.D. Assistant Medical Director Regence BlueCross BlueShield Chairman of the Board (Physician Representative)	ROBERT PERRY , President Perry Financial Group (Producer, Accident & Health Representative)
ELIZABETH S. HUNTER , Outreach & Adult Education Coordinator Cathedral Church of St. Mark (General Public Representative)	DAVID SUNDWALL , Executive Director Department of Health (Or his Designee)
IRENE LINK , President Link Communication (Person Expected to Qualify for HIPUtah)	RANDALL R. SMART , Attorney Smart, Schofield, Shorter, & Lunceford (Parent of Child Expected to Qualify for HIPUtah)
KENT MICHIE , Insurance Commissioner Utah Insurance Department (Or his Designee)	ANDY GALANO , President/CEO Educators Mutual (Health Insurance Company Representative)

ADMINISTRATIVE SUPPORT

TOMI JEAN OSSANA , Executive Director HIPUtah	JESSE LIDDELL , HIPUtah Coordinator SelectHealth (Administrator)
JIM MURRAY , HIPUtah Program Manager SelectHealth (Administrator)	PERRI ANN BABALIS , Asst. Attorney General Office of the Attorney General (Counsel to Board)
TROY PRITCHETT, FSA, MAAA Milliman, Inc. (HIPUtah Consulting Actuary)	JEROME FLOERKE , Senior Underwriter Equitable Life & Casualty Insurance Company (Underwriting Auditor)

ADDENDUM II

HIPUTAH'S INTERACTION WITH STATE GOVERNMENT



Under state law Utah residents have the guaranteed right to purchase Individual health insurance regardless of income or health status. The private individual market takes the healthy and HIPUtah takes the uninsurables based on the health underwriting criteria set by the Pool.

Eligibility Requirements:
Uninsurables and HIPAA eligibles make application to the Pool and are accepted into the program

- Funding for the Pool:**
- Premiums paid by HIPUtah enrollees
 - State Appropriations from the General Fund

HIPUtah

HIPUtah provides Health Insurance for over 3,371 enrollees, whom without this program would go without health insurance.

* For every \$1 of premium paid into the Pool a \$1.58 is paid out in claims since the inception of the program.

HIPUtah protects the private health insurance market – if this program was to cap enrollment the private individual carriers would have to take on the risk of the uninsurables unless they discontinue writing new business or pull out of the market. 130,000 or more enrolled individuals may be affected.

EXHIBITS

Exhibit A
HIPUtah Geographic Profile by County

Enrollment as of: 06/30/2007
 Report ID: HIP100

County	Enrollee Count	Percent of Total	County Population*	Percent of Total
Beaver	13	0.39%	6,204	0.25%
Box Elder	41	1.22%	46,440	1.88%
Cache	111	3.29%	98,055	3.97%
Carbon	26	0.77%	19,437	0.79%
Daggett	6	0.18%	943	0.04%
Davis	318	9.43%	268,187	10.86%
Duchesne	27	0.80%	15,354	0.62%
Emery	5	0.15%	10,711	0.43%
Garfield	6	0.18%	4,470	0.18%
Grand	20	0.59%	8,743	0.35%
Iron	57	1.69%	38,311	1.55%
Juab	8	0.24%	9,113	0.37%
Kane	20	0.59%	6,202	0.25%
Millard	8	0.24%	12,284	0.50%
Morgan	19	0.56%	7,906	0.32%
Other	71	2.11%	0	0.00%
Piute	2	0.06%	1,365	0.06%
Rich	7	0.21%	2,051	0.08%
Salt Lake	1,322	39.22%	948,172	38.39%
San Juan	8	0.24%	14,104	0.57%
Sanpete	15	0.44%	24,044	0.97%
Sevier	24	0.71%	19,386	0.78%
Summit	129	3.83%	35,001	1.42%
Tooele	22	0.65%	51,311	2.08%
Uintah	47	1.39%	26,995	1.09%
Utah	521	15.46%	443,738	17.97%
Wasatch	54	1.60%	18,974	0.77%
Washington	264	7.83%	118,885	4.81%
Wayne	11	0.33%	2,450	0.10%
Weber	189	5.61%	210,749	8.53%
Totals	3,371	100.00%	2,469,585	100.00%

* Estimated Population as of July 1, 2005 (Source U.S. Census Bureau)

Exhibit A

Geographic Distribution by County

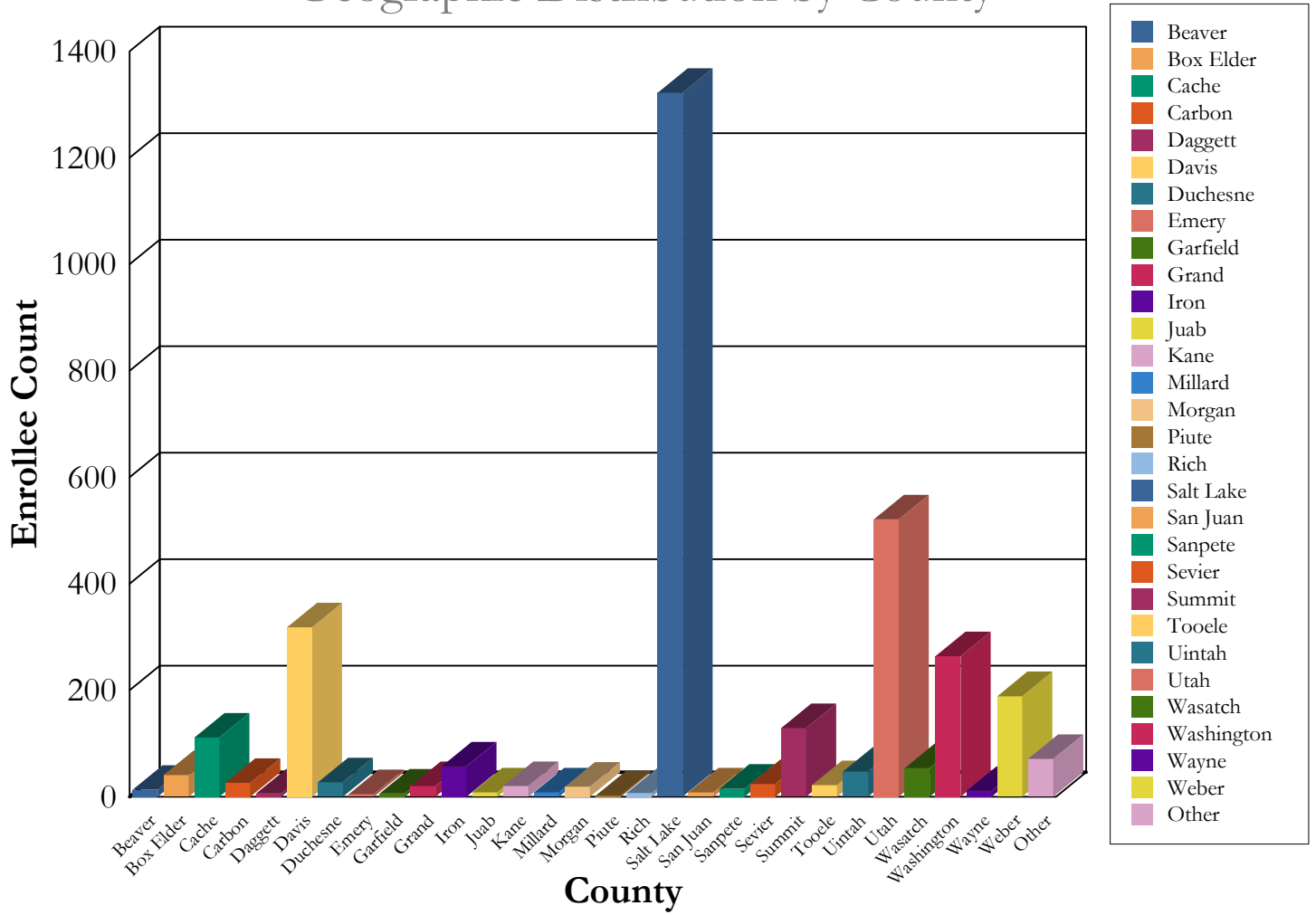


Exhibit B**HIPUtah Enrollment by Medical Conditon/Disease**

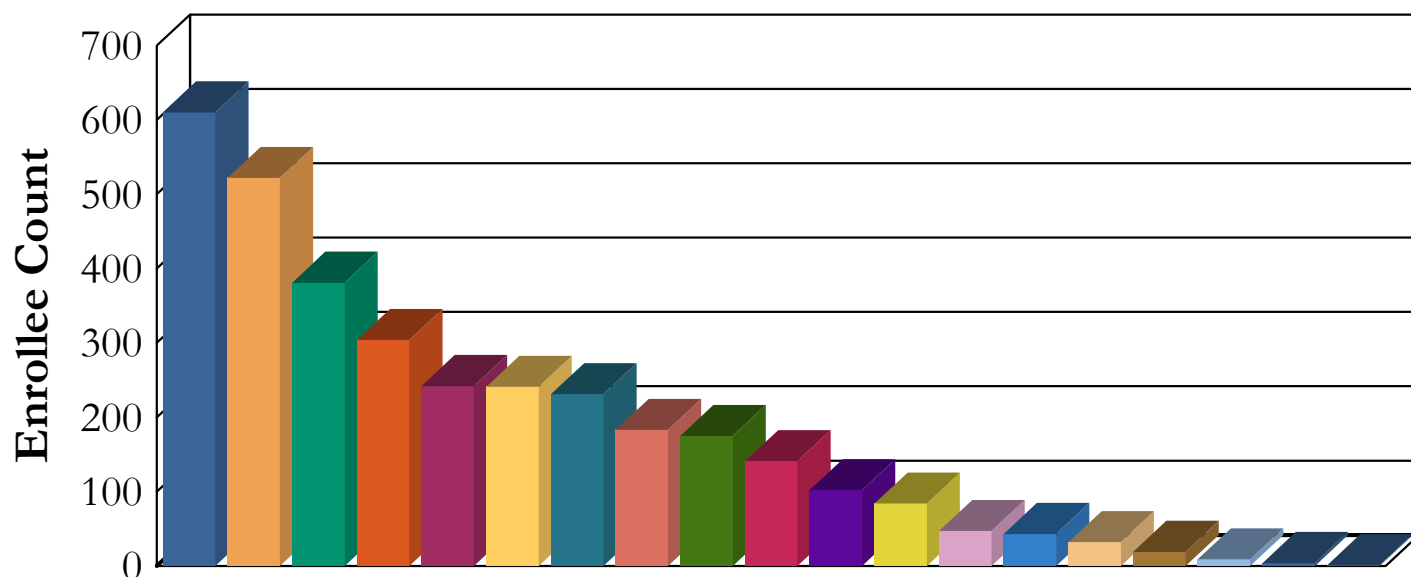
Enrollment as of: 06/30/2007

Report ID: HIP101

Condition/Disease	Enrollee Count	Percent of Total
MUSCULOSKELETAL SYSTEM	610	18.10%
IMMUNITY SYSTEMS	522	15.49%
CIRCULATORY SYSTEM	381	11.30%
MENTAL DISORDERS	304	9.02%
DIGESTIVE SYSTEM	242	7.18%
NEOPLASMS	241	7.15%
GENITOURINARY SYSTEM	231	6.85%
OTHER	183	5.43%
NERVOUS SYSTEM	175	5.19%
ILL DEFINED CONDITIONS	141	4.18%
CONGENITAL ANOMALES	102	3.03%
RESPIRATORY SYSTEM	84	2.49%
INJURY AND POISONING	47	1.39%
INFECTIOUS DISEASES	43	1.28%
BLOOD & BLOOD FORMING ORGANS	32	0.95%
SKIN & SUBCUTANEOUS TISSUE	19	0.56%
CONDITIONS IN PERINATAL PERIOD	9	0.27%
PREGNANCY / CHILDBIRTH	4	0.12%
V CODES	1	0.03%
Total	3,371	

Exhibit B

HIPUtah Enrollment by Medical Condition/Disease



Condition/Disease

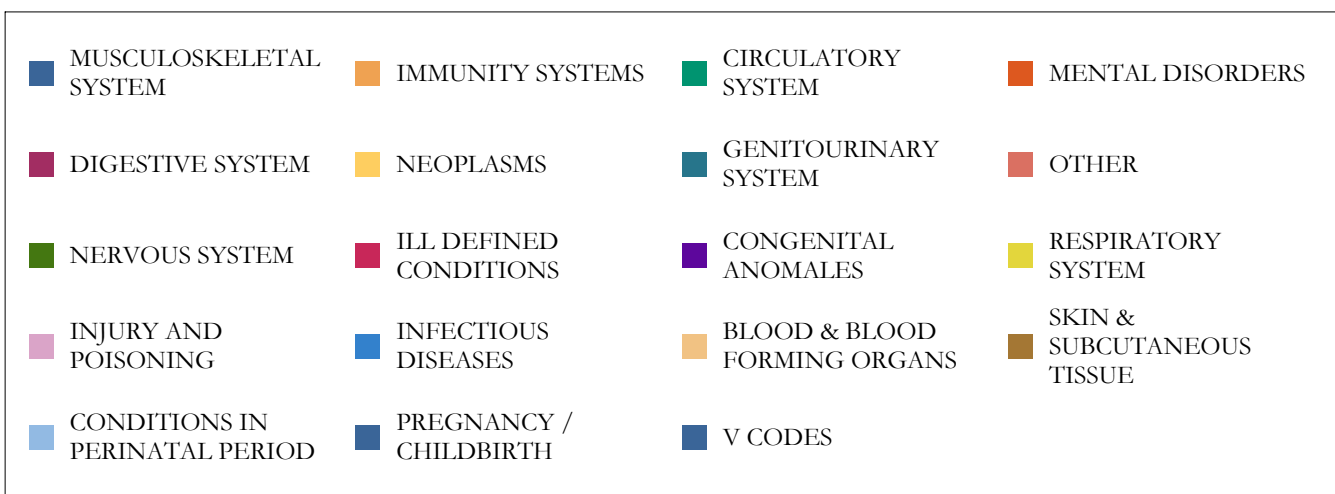


Exhibit C
HIPUtah Annual Family Household Income Analysis

Enrollment as of: 06/30/2007
 Report ID: HIP102

Annual Income	Enrollee Count	Percent of Total
\$0 to \$9,999	284	8.42%
\$10,000 to \$19,999	296	8.78%
\$20,000 to \$29,999	376	11.15%
\$30,000 to \$39,999	435	12.90%
\$40,000 to \$49,999	352	10.44%
\$50,000 to \$59,999	281	8.34%
\$60,000 to \$69,999	228	6.76%
\$70,000 to \$79,999	186	5.52%
\$80,000 to \$89,999	131	3.89%
\$90,000 to \$99,999	97	2.88%
\$100,000 to \$109,999	99	2.94%
\$110,000 to \$119,999	33	0.98%
\$120,000 to \$129,999	56	1.66%
\$130,000 to \$139,999	33	0.98%
\$140,000 to \$149,999	27	0.80%
\$150,000 Plus	269	7.98%
Unknown	188	5.58%
Total	3,371	
Average Annual Household Income:	\$64,905	
Median Annual Household Income:	\$45,000	

Exhibit C

HIPUtah Annual Family Household Income Analysis

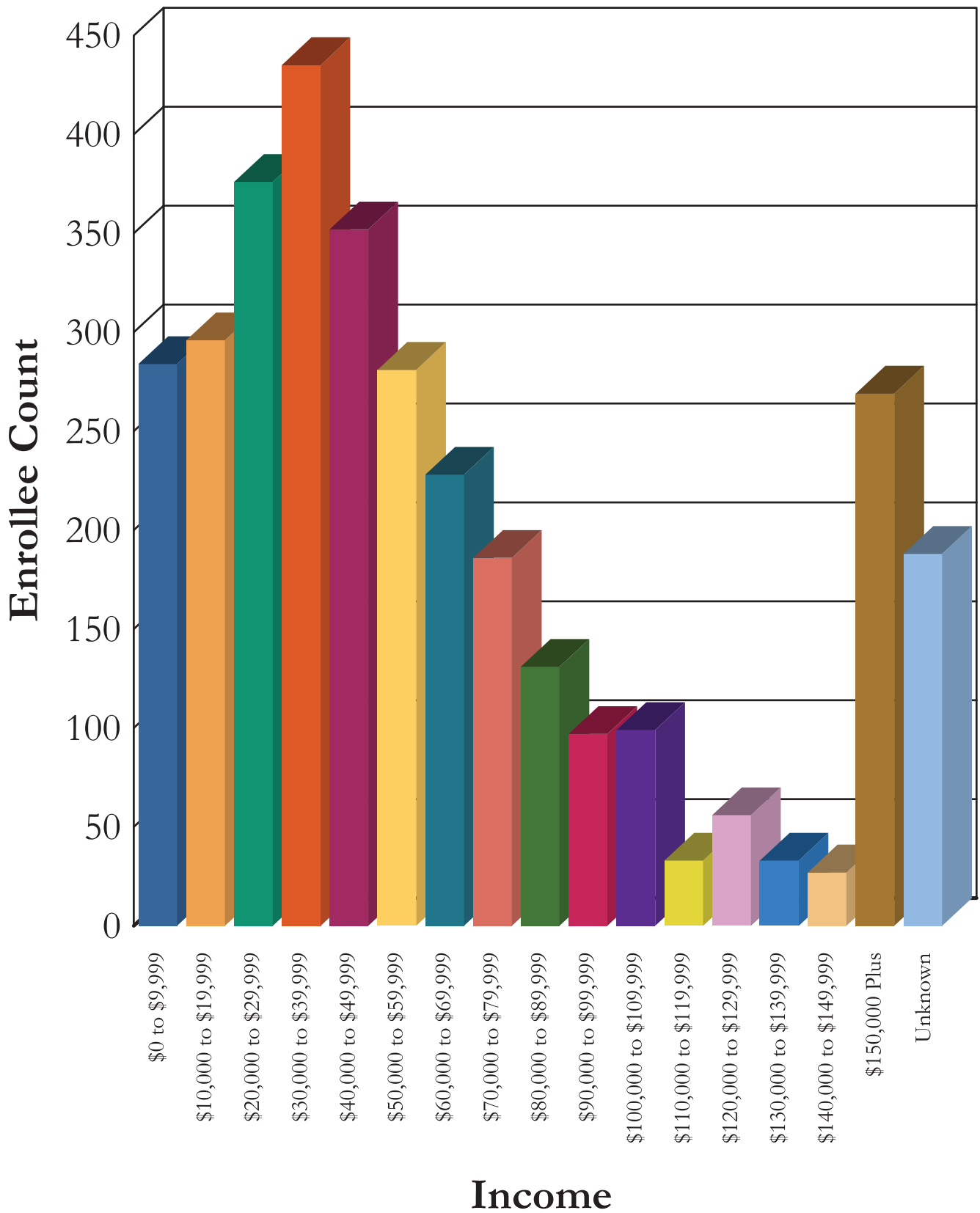


Exhibit D

HIPUtah Enrollment Male/Female by Age

Enrollment as of: 06/30/2007

Report ID: HIP103

Age Group	Gender	Enrollee Count	Percent of Total
00 - 02	Female	9	0.27%
	Male	14	0.42%
		23	0.68%
03 - 12	Female	36	1.07%
	Male	65	1.93%
		101	3.00%
13 - 19	Female	53	1.57%
	Male	54	1.60%
		107	3.17%
20 - 25	Female	85	2.52%
	Male	56	1.66%
		141	4.18%
26 - 30	Female	147	4.36%
	Male	80	2.37%
		227	6.73%
31 - 35	Female	129	3.83%
	Male	69	2.05%
		198	5.87%
36 - 40	Female	123	3.65%
	Male	69	2.05%
		192	5.70%
41 - 45	Female	160	4.75%
	Male	103	3.06%
		263	7.80%
46 - 50	Female	212	6.29%
	Male	152	4.51%
		364	10.80%
51 - 55	Female	260	7.71%
	Male	224	6.64%
		484	14.36%
56 - 60	Female	396	11.75%
	Male	251	7.45%
		647	19.19%
61 - 64	Female	392	11.63%
	Male	226	6.70%
		618	18.33%
65 Plus	Female	4	0.12%
	Male	2	0.06%
		6	0.18%

Total 3,371

Female	2,006	59.51%	Male	1,365	40.49%
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Exhibit D

HIPUtah Enrollment Female/Male by Age

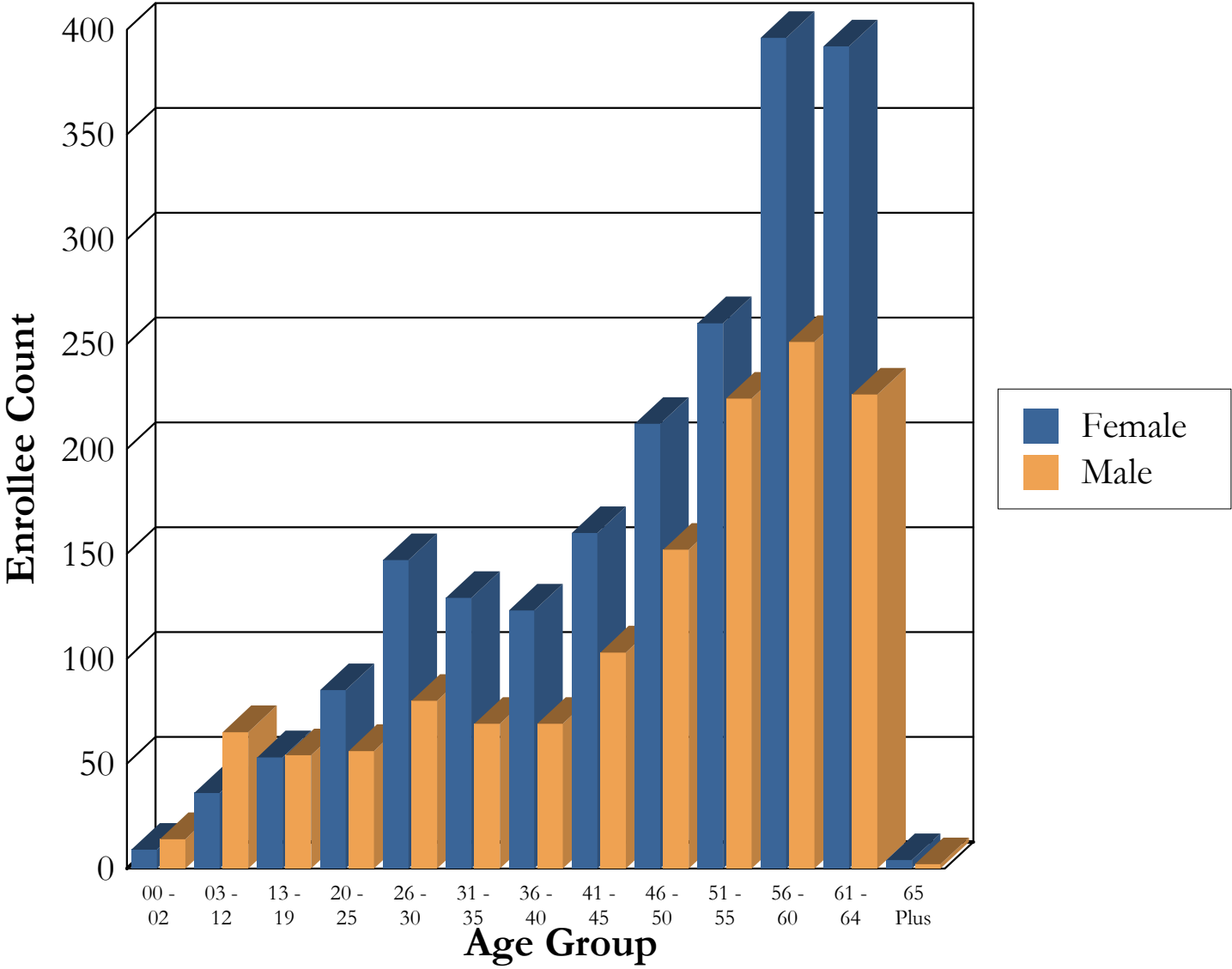


Exhibit E
HIPUtah Enrollment by Age

Enrollment as of: 06/30/2007
Report ID: HIP104

Age Group	Enrollee Count	Enrollee Count
00 - 02	23	0.68%
03 - 12	101	3.00%
13 - 19	107	3.17%
20 - 25	141	4.18%
26 - 30	227	6.73%
31 - 35	198	5.87%
36 - 40	192	5.70%
41 - 45	263	7.80%
46 - 50	364	10.80%
51 - 55	484	14.36%
56 - 60	647	19.19%
61 - 64	618	18.33%
65 Plus	6	0.18%
Total	3,371	

Exhibit E

HIPUtah Enrollment by Age

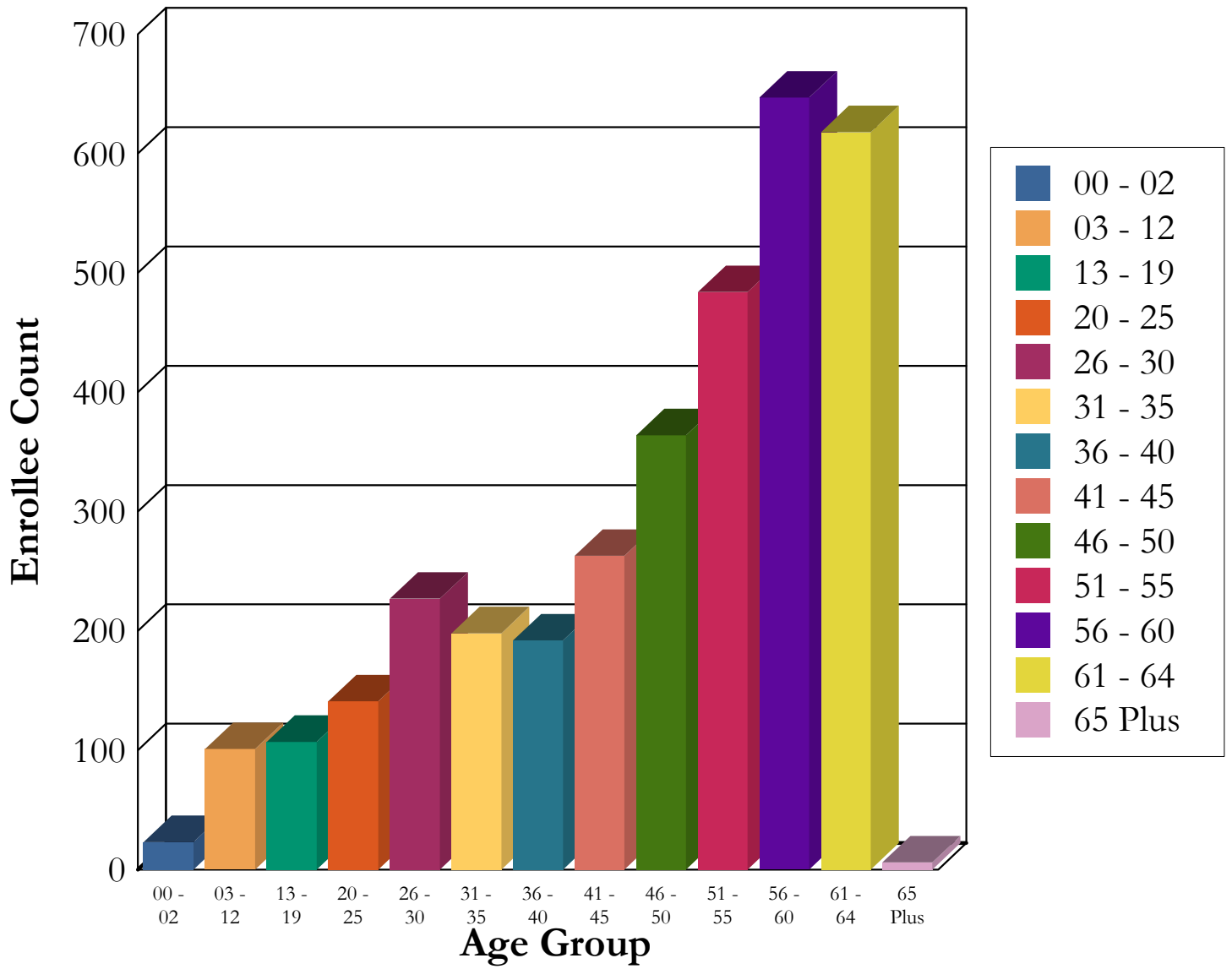


Exhibit F
HIPUtah Member Months by Fiscal Year

Enrollment From: 07/01/2006
Enrollment To: 06/30/2007
Report ID: HIP105

Fiscal Year	Member Months
1992	2,518
1993	5,440
1994	6,936
1995	8,071
1996	8,425
1997	7,577
1998	9,113
1999	10,924
2000	12,001
2001	15,507
2002	22,006
2003	28,850
2004	34,542
2005	36,383
2006	37,661
2007	39,970
Total	285,924

Exhibit F

Member Months by Fiscal Year

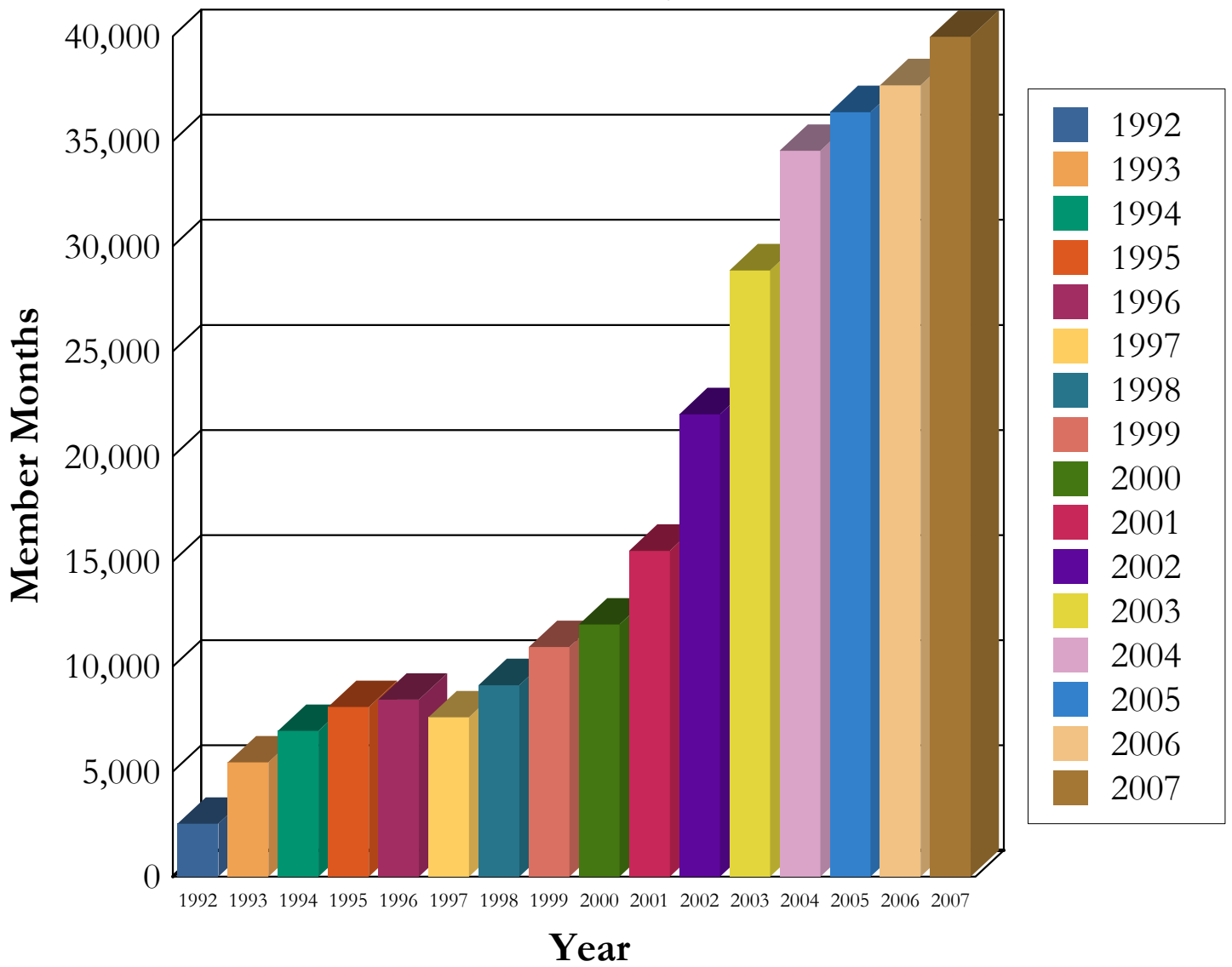


EXHIBIT G

HIPUtah Utilization Report

PAID CLAIMS

**PAID JULY 2006 THROUGH OCTOBER 2007
INCURRED JULY 2006 THROUGH JUNE 2007**

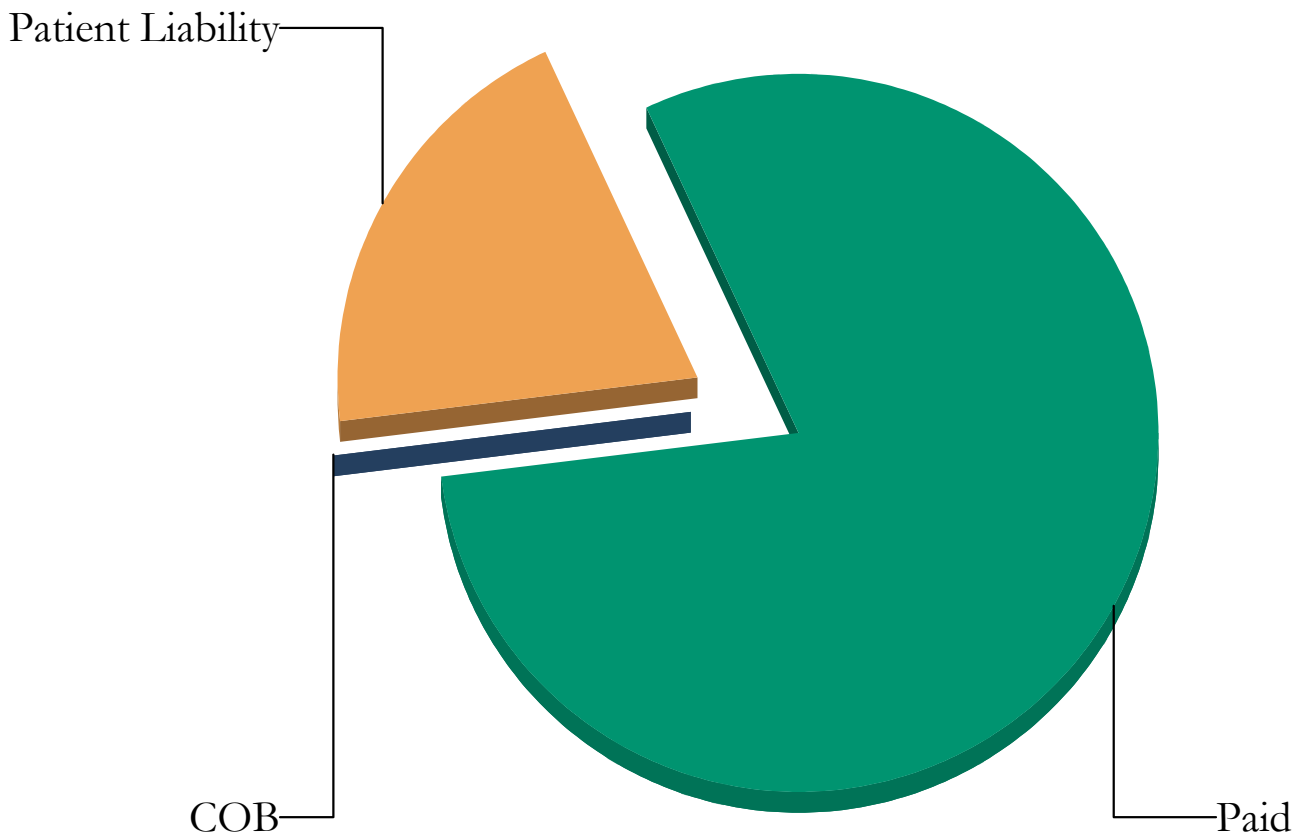
Administered by SelectHealth

HIPUtah Payment Analysis

SUBMITTED CHARGES		\$39,110,006
DUPLICATE CLAIM	\$1,943,748	
EXCESSIVE CHARGE	\$8,783,688	
IMPROPER CLAIM FILING	\$415,794	
MEDICAL POLICY	\$663,157	
CONTRACT MAXIMUM	\$3,541,343	
NOT A BENEFIT	\$273,369	
PATIENT NOT ELIGIBLE	\$855,656	
MEDICAL NECESSITY	\$35,916	
PRE-EXIST CONDITION	\$320,821	
PRENOTIFICATION	\$25,040	
Total Administrative/Provider Savings		\$16,858,532
ALLOWED CHARGES		\$22,005,914
Patient Liability (Coinsurance, Deductible, Etc)	\$4,355,528	20%
COB	\$22,390	0%
TOTAL PAID BY HIPUTAH		\$17,627,997 80%

HIPUtah

Payment Analysis



COB	0.1%
Patient Liability	19.8%
Paid	80.1%
Total:	100.0%

HIPUtah

Large Claims Summary by Enrollee

Incurred 07/01/2006 To 06/30/2007

Paid 07/01/2006 To 10/31/2007

Paid claims Accumulated Greater than \$65,000, Medical Only

Dollars	Major Diagnosis
\$388,896	BLOOD & BLOOD FORMING ORGANS
\$265,061	IMMUNITY SYSTEMS
\$262,676	IMMUNITY SYSTEMS
\$219,357	DIGESTIVE SYSTEM
\$216,283	GENITOURINARY SYSTEM
\$199,160	V CODES
\$185,002	ILL DEFINED CONDITIONS
\$173,678	DIGESTIVE SYSTEM
\$169,804	NEOPLASMS
\$160,155	NERVOUS SYSTEM
\$136,396	GENITOURINARY SYSTEM
\$135,522	INJURY AND POISONING
\$124,806	SKIN & SUBCUTANEOUS TISSUE
\$121,586	CIRCULATORY SYSTEM
\$116,818	ILL DEFINED CONDITIONS
\$114,614	INJURY AND POISONING
\$114,149	INJURY AND POISONING
\$109,038	RESPIRATORY SYSTEM
\$104,668	NEOPLASMS
\$101,013	BLOOD & BLOOD FORMING ORGANS
\$96,748	NEOPLASMS
\$87,731	NEOPLASMS
\$87,715	GENITOURINARY SYSTEM
\$87,665	V CODES
\$85,963	BLOOD & BLOOD FORMING ORGANS
\$83,921	GENITOURINARY SYSTEM
\$81,403	NEOPLASMS
\$81,014	BLOOD & BLOOD FORMING ORGANS
\$79,643	GENITOURINARY SYSTEM
\$77,624	ILL DEFINED CONDITIONS
\$74,891	DIGESTIVE SYSTEM
\$73,963	RESPIRATORY SYSTEM
\$71,937	INFECTIOUS DISEASES
\$71,442	NEOPLASMS
\$70,722	NEOPLASMS
\$70,187	GENITOURINARY SYSTEM
\$69,830	RESPIRATORY SYSTEM
\$69,810	CIRCULATORY SYSTEM
\$66,173	MUSCULOSKELETAL SYSTEM
\$66,117	OTHER
\$66,097	NEOPLASMS
\$65,958	NEOPLASMS
Total Large Claims:	\$5,105,238
Members:	42

HIPUtah
Utilization by Benefit

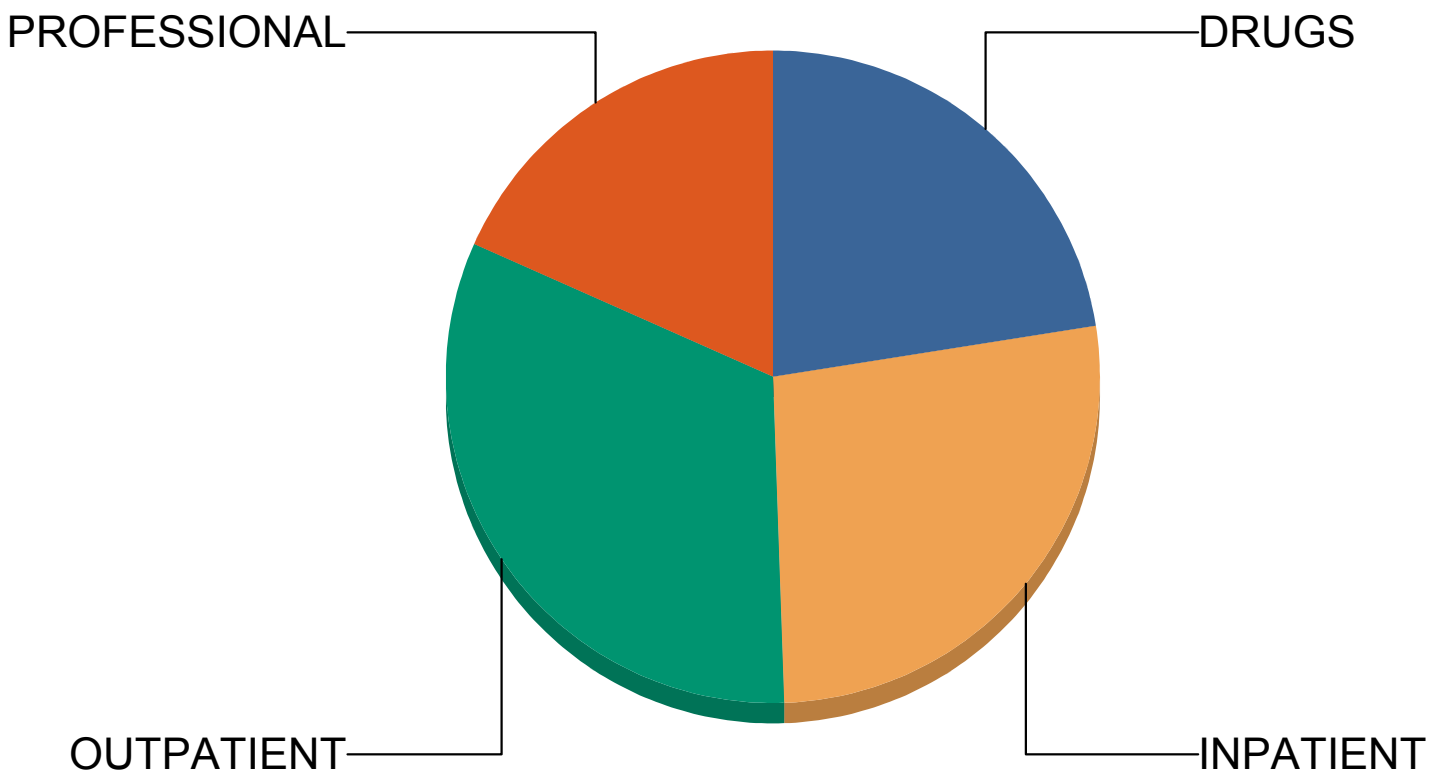
Incurred 07/01/2006 To 06/30/2007





Paid 07/01/2006 To 10/31/2007

Category	Claims	Paid	Percent of Total	Cost Per Member Month
INPATIENT	490	\$6,097,840	27%	\$155
OUTPATIENT	15,793	\$7,386,941	32%	\$187
PROFESSIONAL	30,105	\$4,143,216	18%	\$105
DRUGS	69,762	\$5,127,973	23%	\$130
Total	116,150	\$22,755,969		

HIPUtah

Utilization by Benefit



	DRUGS	22.5%
	INPATIENT	26.8%
	OUTPATIENT	32.5%
	PROFESSIONAL	18.2%
	Total:	100.0%

HIPUtah Inpatient Utilization

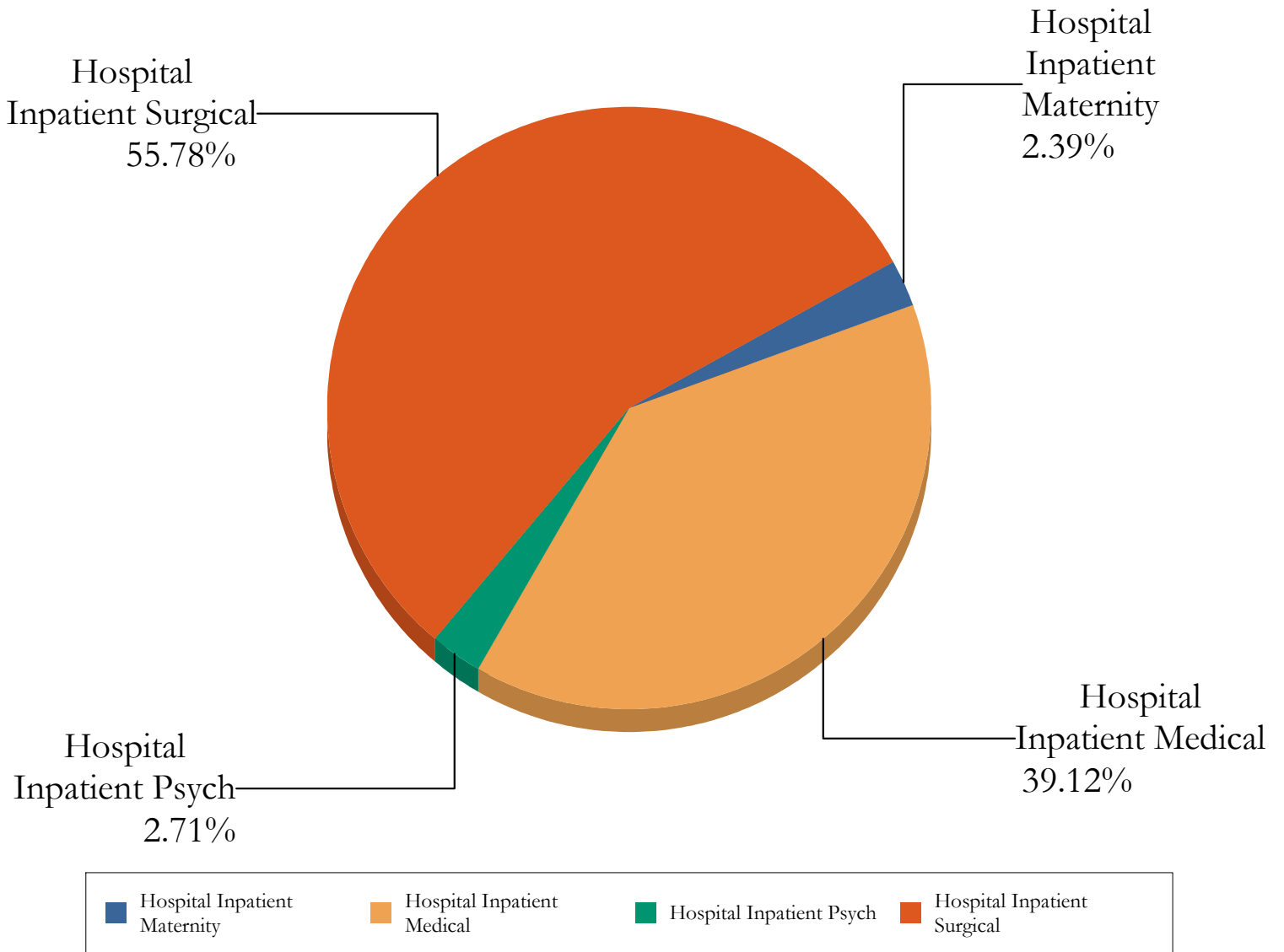
Incurred 07/01/2006 To 06/30/2007

Paid 07/01/2006 To 10/31/2007

Categories	Admits	Days	Enrollees	Average LOS	Average Paid per Admit	Total Paid		Paid PMPM
Hospital Inpatient Medical	281	1,250	182	4	\$8,489	\$2,385,521	39.12%	\$60.45
Hospital Inpatient Surgical	215	1,276	154	6	\$15,820	\$3,401,254	55.78%	\$86.19
Hospital Inpatient Maternity	64	131	52	2	\$2,281	\$145,986	2.39%	\$3.70
Hospital Inpatient Psych	28	179	25	6	\$5,896	\$165,080	2.71%	\$4.18
Total	588	2,836		5	\$10,370	\$6,097,840		\$155
Admissions per 1,000 enrollees:					179			
Days per 1,000 enrollees:					862			
Average cost per admission:					\$10,370			
Average cost per day:					\$2,150.16			

HIPUtah

Inpatient Utilization



HIPUtah Outpatient Utilization

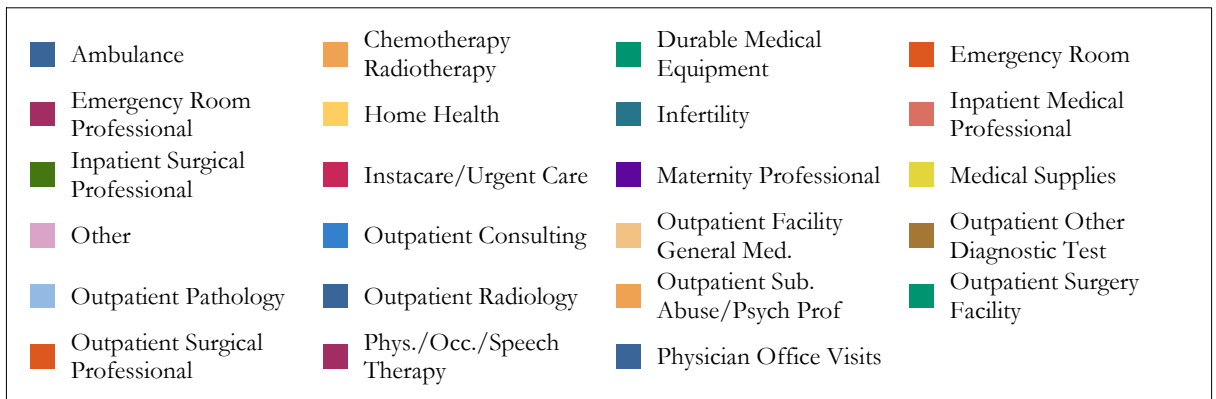
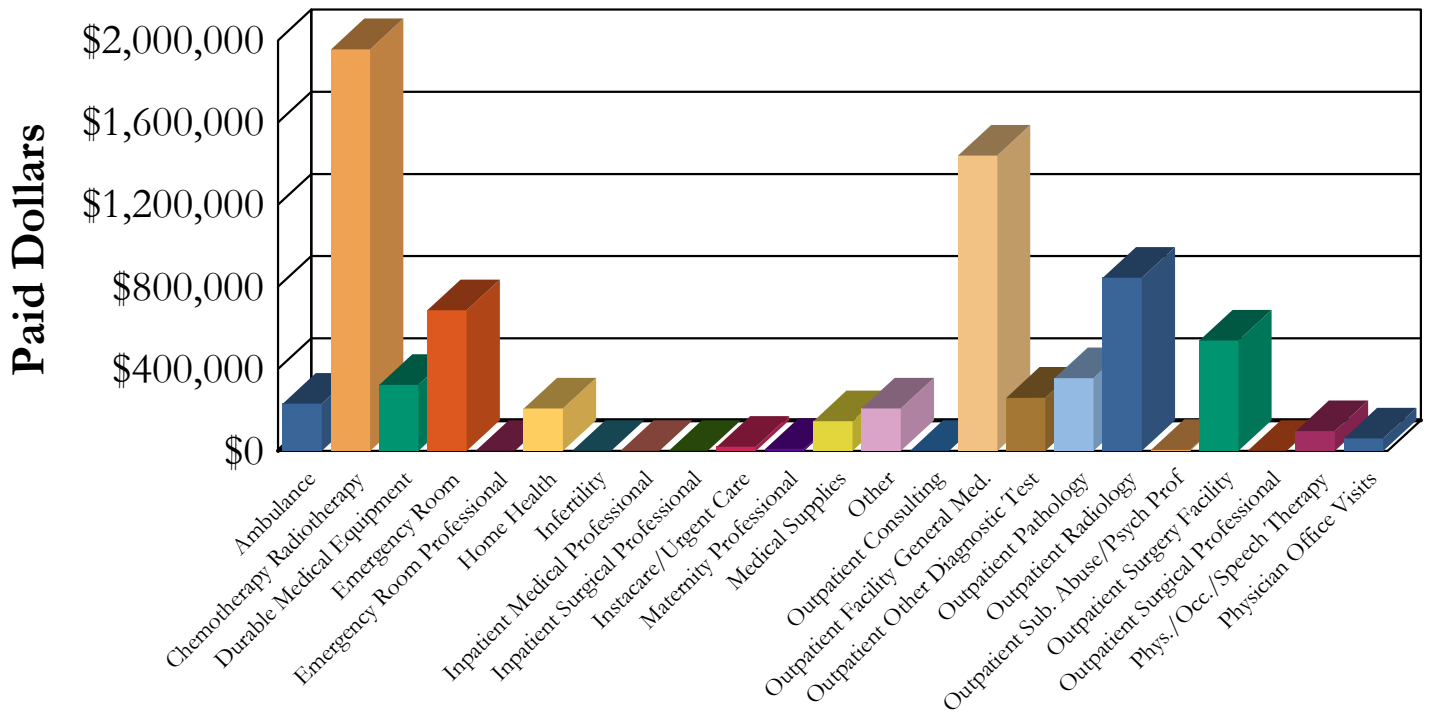
Incurred 07/01/2006 To 06/30/2007

Paid 07/01/2006 To 10/31/2007

Categories	Procedures	Visits	Total Paid		Paid per Visit	Paid PMPM
Durable Medical Equipment	1,429	1,356	\$322,814	4%	\$238	\$8.18
Emergency Room	1,442	919	\$685,517	9%	\$746	\$17.37
Instacare/Urgent Care	677	654	\$20,249	0%	\$31	\$0.51
Ambulance	180	170	\$229,996	3%	\$1,353	\$5.83
Physician Office Visits	760	670	\$60,437	1%	\$90	\$1.53
Inpatient Medical Professional	4	4	\$308	0%	\$77	\$0.01
Inpatient Surgical Professional	1	1	\$88	0%	\$88	\$0.00
Emergency Room Professional	4	4	\$517	0%	\$129	\$0.01
Outpatient Surgical Professional	13	13	\$811	0%	\$62	\$0.02
Maternity Professional	111	111	\$10,502	0%	\$95	\$0.27
Outpatient Sub. Abuse/Psych Prof	9	9	\$4,925	0%	\$547	\$0.12
Outpatient Pathology	7,120	6,931	\$355,122	5%	\$51	\$9.00
Outpatient Radiology	2,544	2,468	\$844,588	11%	\$342	\$21.40
Outpatient Other Diagnostic Test	808	720	\$259,285	4%	\$360	\$6.57
Outpatient Surgery Facility	1,217	834	\$538,373	7%	\$646	\$13.64
Outpatient Facility General Med.	2,165	1,875	\$1,439,316	19%	\$768	\$36.47
Chemotherapy Radiotherapy	754	741	\$1,956,647	26%	\$2,641	\$49.58
Infertility	3	3	\$16	0%	\$5	\$0.00
Outpatient Consulting	2	2	\$5	0%	\$2	\$0.00
Medical Supplies	995	992	\$145,343	2%	\$147	\$3.68
Phys./Occ./Speech Therapy	412	385	\$97,380	1%	\$253	\$2.47
Home Health	285	266	\$207,642	3%	\$781	\$5.26
Other	350	350	\$207,054	3%	\$592	\$5.25
Total	21,285	19,478	\$7,386,937		\$379	\$187

HIPUtah

Outpatient Utilization



HIPUtah Professional Utilization

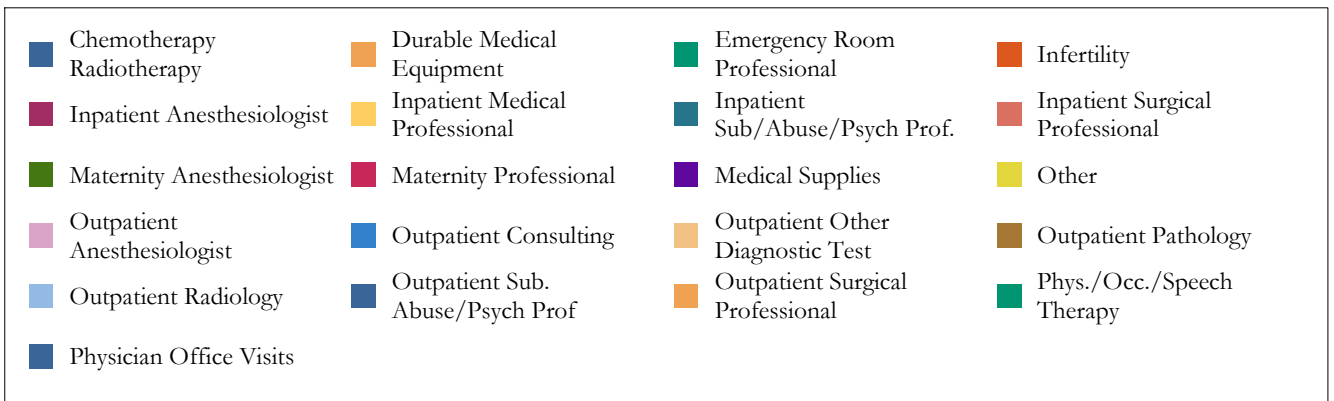
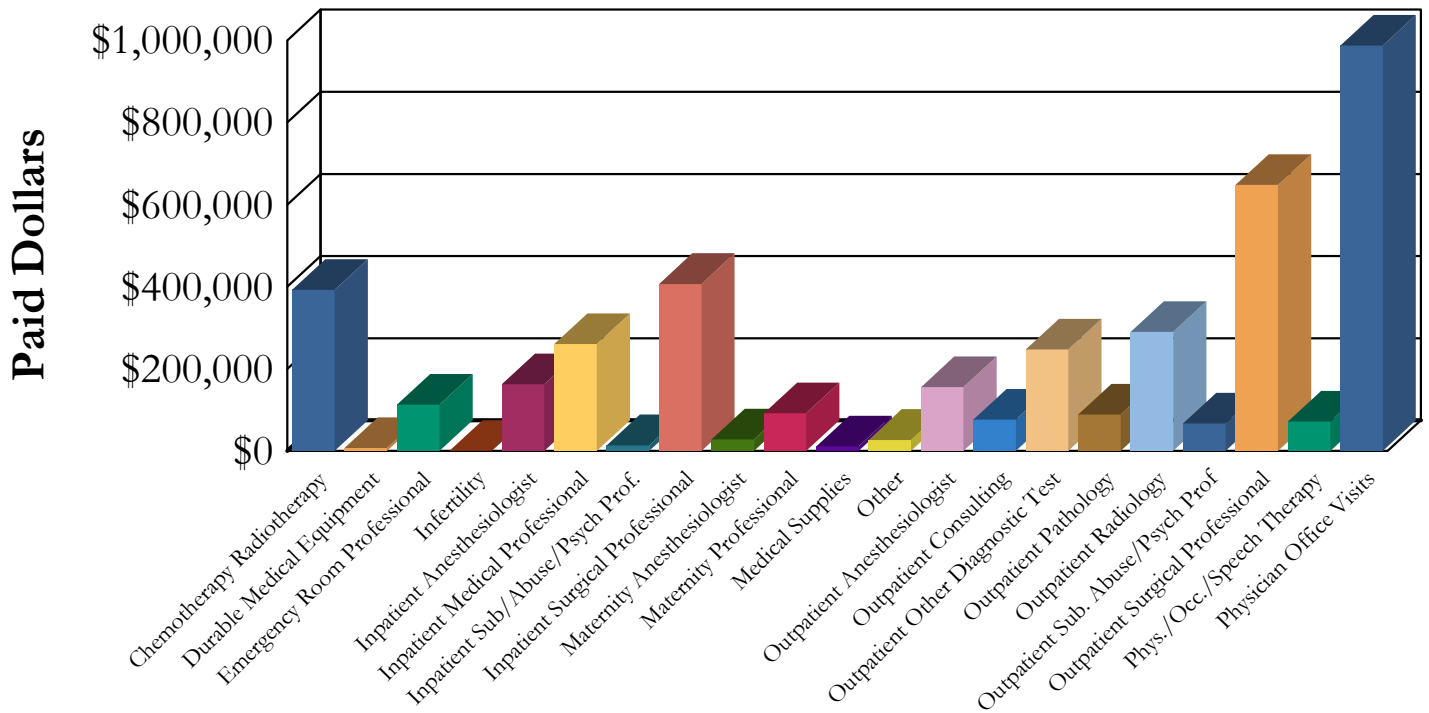
Incurred 07/01/2006 To 06/30/2007

Paid 07/01/2006 To 10/31/2007

Categories	Procedures	Visits	Total Paid		Paid per Visit	Paid PMPM
Durable Medical Equipment	126	125	\$6,903	0%	\$55	\$0.17
Physician Office Visits	17,113	15,351	\$987,586	24%	\$64	\$25.03
Inpatient Medical Professional	1,736	1,162	\$260,279	6%	\$224	\$6.60
Inpatient Surgical Professional	386	265	\$406,675	10%	\$1,535	\$10.31
Inpatient Anesthesiologist	206	180	\$162,259	4%	\$901	\$4.11
Inpatient Sub/Abuse/Psych Prof.	81	77	\$13,622	0%	\$177	\$0.35
Emergency Room Professional	862	814	\$112,964	3%	\$139	\$2.86
Outpatient Surgical Professional	3,194	2,747	\$647,615	16%	\$236	\$16.41
Outpatient Anesthesiologist	407	403	\$155,268	4%	\$385	\$3.93
Maternity Professional	291	250	\$92,023	2%	\$368	\$2.33
Maternity Anesthesiologist	64	52	\$28,362	1%	\$545	\$0.72
Outpatient Sub. Abuse/Psych Prof	1,207	1,195	\$66,836	2%	\$56	\$1.69
Outpatient Pathology	4,953	4,811	\$88,581	2%	\$18	\$2.24
Outpatient Radiology	3,861	3,722	\$289,495	7%	\$78	\$7.34
Outpatient Other Diagnostic Test	2,544	2,372	\$247,030	6%	\$104	\$6.26
Chemotherapy Radiotherapy	334	333	\$392,191	9%	\$1,178	\$9.94
Infertility	3	3	\$0	0%	\$0	\$0.00
Outpatient Consulting	850	849	\$76,398	2%	\$90	\$1.94
Medical Supplies	215	215	\$10,978	0%	\$51	\$0.28
Phys./Occ./Speech Therapy	910	905	\$71,343	2%	\$79	\$1.81
Other	62	62	\$26,807	1%	\$432	\$0.68
Total	39,405	35,893	\$4,143,216		\$115	\$105

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Professional Utilization



HIPUtah
Drug Card Classification by Cost

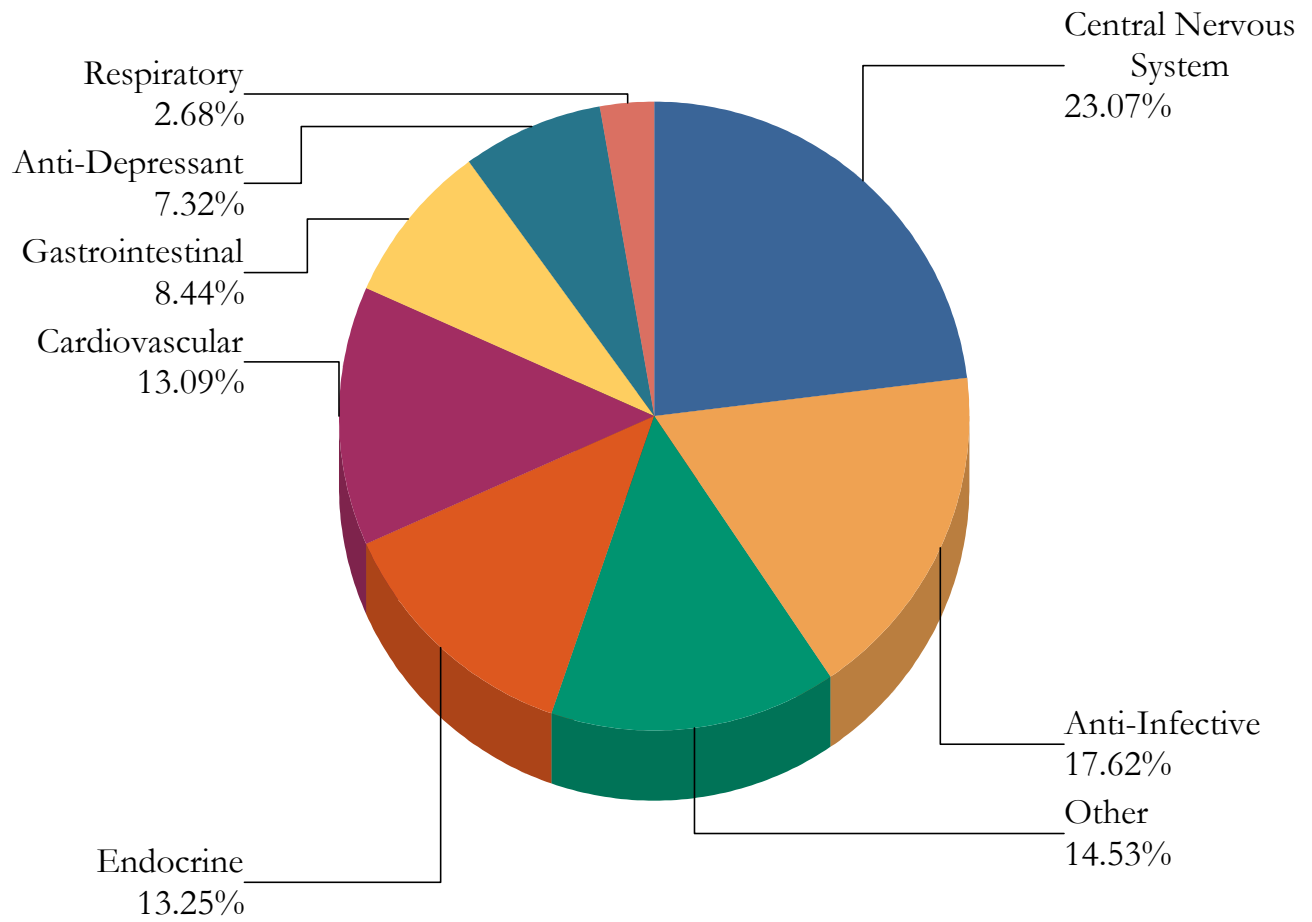
Incurred 07/01/2006 To 06/30/2007

Paid 07/01/2006 To 10/31/2007

Rank	Category	Count	Paid Amount	Percent
1	Central Nervous System	25,061	\$1,182,835.83	23.07%
2	Anti-Infective	8,311	\$903,643.90	17.62%
3	Other	17,020	\$744,966.19	14.53%
4	Endocrine	16,348	\$679,533.77	13.25%
5	Cardiovascular	20,381	\$671,236.26	13.09%
6	Gastrointestinal	5,667	\$432,775.11	8.44%
7	Anti-Depressant	10,396	\$375,309.34	7.32%
8	Respiratory	2,135	\$137,672.30	2.68%
Total		105,319	5,127,972.70	

HIPUtah

Drug Card Classification by Cost



HIPUtah
Utilization by Age - Medical Only

Incurred 07/01/2006 To 06/30/2007
Paid 07/01/2006 To 10/31/2007

Age Range	Member Months	Claims		Dollars Paid	
00-09	986	1,108	2.2%	446,755	2.5%
10-19	1,616	1,528	3.1%	512,647	2.9%
20-29	3,745	4,388	8.8%	1,449,099	8.2%
30-39	4,669	5,666	11.3%	2,113,091	12.0%
40-49	6,604	8,700	17.4%	3,403,737	19.3%
50-59	12,138	16,407	32.8%	5,675,371	32.2%
60-99	10,213	12,155	24.3%	4,027,298	22.8%
Total	39,971	49,952		\$17,627,997	

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Utilization by Age

