

**Chapter Ins 9****APPENDIX A****AUDITOR'S SPECIAL PROCEDURES REPORT ON THE SCHEDULE  
OF COVERED EXPENSES**

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Board of Directors

XYZ Health Maintenance Organization Insurer

We have performed the following special procedures with respect to the Schedule of Covered Expenses for XYZ health maintenance organization insurer (“HMO insurer”), for the year ended December 31, XXXX. It is understood that this report is solely to assist you in complying with ch. Ins 9, Wis. Adm. Code, and ch. 609, Wis. Stats., and our report is not to be used for any other purpose. Our procedures and findings are as follows:

a. A randomly selected sample was taken from all medical and hospital expenses paid during the calendar year to test the attribute that the expenses reported on the provider’s IRS 1099-MISC forms (or other supporting documentation for providers not issued an IRS-1099-MISC form) trace to the Schedule of Covered Expenses for those providers included on the Schedule of Covered Expenses.

b. A comparison was made between the Schedule of Covered Expenses and the Election of Exemption notices by providers to verify that providers which had given notice of their Election of Exemption prior to December 31, XXXX, and which had not also given notice of their Termination of Election prior to December 31, XXXX, are excluded from the Schedule of Covered Expenses.

A review of the assumptions and methods of the HMO insurer in establishing the amount of covered expenses included in the Incurred But Not Reported line of the Schedule of Covered Expenses was undertaken to determine if the company’s estimate is reasonably estimated based on the HMO insurer’s historical data and best information available to the HMO insurer.

Because the procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. The following summarizes our findings as a result of the procedures referred to above.

**FINDINGS REPORTED HERE**

Had we performed any additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the items specified above and does not extend to any financial statements of the HMO insurer taken as a whole.

Date

CPA Signature