



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N  
*"Touching Lives Everyday"*

January 31, 2007

B-07-007

The Honorable Colleen Hanabusa  
Senate President  
The Senate  
Hawaii State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Madame President:

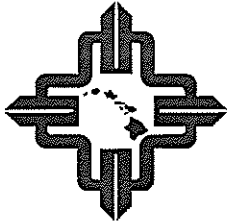
In accordance to Act 178, SLH 2005, Section 160, the Hawaii Health Systems Corporation submits an amended report on the certification of losses under the state plan amendment as reconciled to the filed Medicaid cost report for fiscal year end June 30, 2006.

Should you have any questions, please call Kelley C. Roberson, Chief Operating Officer and Chief Financial Officer, at 733-4171.

Sincerely,

THOMAS M. DRISKILL, Jr.  
President and Chief Executive Officer

Attachment



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Everyday"*

January 31, 2007

B-07-007

The Honorable Calvin Say  
Speaker  
House of Representatives  
Hawaii State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear Mr. Speaker:

In accordance to Act 178, SLH 2005, Section 160, the Hawaii Health Systems Corporation submits an amended report on the certification of losses under the state plan amendment as reconciled to the filed Medicaid cost report for fiscal year end June 30, 2006.

Should you have any questions, please call Kelley C. Roberson, Chief Operating Officer and Chief Financial Officer, at 733-4171.

Sincerely,

THOMAS M. DRISKILL, Jr.  
President and Chief Executive Officer

Attachment



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

"Touching Lives Every Day"

January 30, 2007

COO/CFO-07-012

Mr. Brian Pang  
State of Hawaii, Dept. of Health  
Med-Quest Division  
601 Kamokila Blvd, Rom 518  
Kapolei, Hi 96707

SUBJECT: Certification of HHSC Medicaid Losses for FYE 6/30/06 reconciled to the  
Medicaid Cost Report as Filed

Dear Brian:

Enclosed are the HHSC Medicaid certified losses of \$18,538,752 for fiscal year ended June 30, 2006 reconciled to the Medicaid cost report as filed. These losses represent an increase of \$5,086,029 from the previous FY 2006 reported losses of \$13,452,724 on August 2, 2006.

Please note that the enclosed Medicaid SPA Attachment includes Critical Access Hospital losses related to Long Term Care services due to costs exceeding Peer Group Averages and Swing Bed losses which are not cost based reimbursed. The funds/contributions were expended, as necessary for federal matching funds pursuant to the requirement of 42 CFR 433.51. These claimed expenditures have not previously been nor shall subsequently be used for federal match in this or any other program. I am aware that this information is to be used for filing of a claim with the Federal government for Federal funds and that knowing misrepresentation constitutes violation of the Federal False Claims Act.

Sincerely,

Kelley C. Roberson  
Chief Operating Officer & Chief Financial Officer

*FJR*

Attachment

HHSC Medicaid Certification FYE 6/30/06 Reconciled to the Cost Report As Filed

HAWAII HEALTH SYSTEMS CORPORATION  
LOSSES FROM MEDICAID FEE FOR SERVICES PROGRAM  
FYE 6/30/06 BASED ON COST REPORT AS FILED

FACILITY	ACUTE SERVICES: 7/1/05-6/30/06 SVC DATES					WAITLISTED & SWING BED SERVICES: 7/1/05-6/30/06 SVC DATES						
	CHARGES	COST	REIMB	LOSS	PRIOR LOSS	DIFF	CHARGES	COST	REIMB	LOSS	PRIOR LOSS	DIFF
HAMAKUA												
HILO	10,108,550	4,785,954	2,772,759	(2,013,196)	(2,910,142)	896,947	1,500,250	1,108,811	362,487	(746,324)	-	(746,324)
KAU (CAH)							501,140	1,086,917	170,012	(916,905)	-	(916,905)
KVMH (CAH)							228,259	576,237	113,942	(462,355)	-	(462,355)
KOHALA (CAH)							133,550	499,741	101,304	(398,437)	-	(398,437)
KONA	3,092,604	2,032,415	1,096,158	(936,257)	(711,755)	(224,502)	53,095	57,506	13,624	(43,882)	-	(43,882)
KULA										0	0	0
LANAI (CAH)												
LEAH												
MALUHIA												
MAUI	12,617,224	6,877,713	3,217,858	(3,459,855)	(3,377,970)	(81,885)						
SMMH	200,989	166,142	86,162	(79,980)	(101,828)	21,848						
TOTAL HHSC	26,019,367	13,662,224	7,172,937	(6,489,267)	(7,101,695)	612,408	2,414,294	3,329,272	761,369	(2,567,903)	-	(2,567,903)

FACILITY	LTC ROUTINE SERVICES (7/1/05-6/30/06 SVC DATES)					TOTAL MEDICAID LOSS FYE 6/30/06				
	CHARGES	COST	REIMB	(LOSS)	PRIOR LOSS	DIFF	CURRENT RPT	PRIOR RPTD	DIFF	DIFF
HAMAKUA	5,248,368	5,508,663	4,740,913	(767,750)	(553,852)	(213,898)	(767,750)	(553,852)	(213,898)	(213,898)
HILO	8,932,055	8,184,414	7,127,859	(1,056,555)	(1,091,152)	34,597	(3,816,074)	(4,001,294)	185,220	185,220
KAU (CAH)							(916,905)	-	(916,905)	(916,905)
KVMH (CAH)							(462,355)	-	(462,355)	(462,355)
KOHALA (CAH)							(398,437)	-	(398,437)	(398,437)
KONA	2,352,845	3,067,050	1,670,690	(1,396,360)	(666,036)	(430,324)	(2,376,499)	(1,877,791)	(698,708)	(698,708)
KULA	5,605,991	6,235,649	4,725,682	(1,509,967)	(1,418,009)	(91,958)	(1,509,967)	(1,418,009)	(91,958)	(91,958)
LANAI (CAH)	1,191,456	1,375,139	985,074	(390,065)	0	(390,065)	(390,065)	-	(390,065)	(390,065)
LEAH	14,512,190	15,071,569	13,039,308	(2,032,261)	(1,007,677)	(1,024,584)	(2,032,261)	(1,007,677)	(1,024,584)	(1,024,584)
MALUHIA	9,986,212	10,498,438	8,726,311	(1,772,127)	(896,710)	(875,417)	(1,772,127)	(896,710)	(875,417)	(875,417)
MAUI	27,755	75,200	25,899	(49,301)	0	(49,301)	(3,509,156)	(3,377,970)	(131,186)	(131,186)
SMMH	2,837,944	2,869,318	2,362,142	(507,176)	(417,592)	(89,584)	(667,156)	(519,420)	(67,736)	(67,736)
TOTAL HHSC	50,692,816	52,885,440	43,403,878	(9,481,562)	(6,351,028)	(3,130,534)	(18,538,762)	(13,462,724)	(5,086,029)	(5,086,029)

Incorporates CAH losses due to costs exceeding Peer Group Average and Swing bed losses for CAH's  
All information per FY 2006 Medicaid Cost Report As Filed and Filed SPA Attachments 4.19A and 4.19D  
Dated Completed: 01/29/2007