



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

"Touching Lives Every Day"

July 8, 2009

CEO-09-69

The Honorable Linda Lingle
Governor of Hawaii
Hawaii State Capitol
Executive Chambers
Honolulu, Hawaii 96813

Hawaii Health Systems Corporation Annual Audit and Report for FY2008;
Disclosure of Revenue Projections and Capital Improvement Projects for Fiscal Year 2009;
Pursuant to Chapter 323F-22

It is with sincere appreciation for your tremendous support that we submit the Annual Report of the Hawaii Health Systems Corporation (HHSC) to you and the Legislature of the State of Hawaii. The continued dedication and hard work of our employees, medical staff, community advisors, Board of Directors, union partners, and many other stakeholders, coupled with support from Legislators and the Administration have resulted in many successes this past year.

HHSC annually has a detailed independent third party financial audit conducted for the entire system. Additionally, HHSC has a myriad of internal reporting/performance measures that are utilized by the board of Directors and management to insure compliance, quality, and financial efficiency in all system work. We have continued to focus on improving our financial management and accounting systems throughout the years. Although in FY 1997 the Corporation received a qualified audit with many material weaknesses, we have now received our eleventh consecutive "clean" unqualified consolidated audit with no material weaknesses for every fiscal year from FY 1998 through FY2008. In accordance with HRS Section 323F-22 the attached report includes the FY 2008 audit report, projected facility revenue and capital improvement projects planned for FY2009. HHSC organization, budget and service information are also included in the report.

While it is reassuring that HHSC received another clean audit, the auditors could not ignore the long term financial stresses HHSC has faced, culminating in a true cash flow crisis that emergency appropriation has ameliorated but not cured. Accordingly D&T issued what can be referred to as a "going concern" opinion for FY2008: "HHSC's recurring losses from operations, recurring negative operating cash flows, and its difficulty in generating sufficient

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cash flow to meet its obligations and sustain its operations, raise substantial doubt about its ability to continue as a going concern.” The D&T opinion is based, in part, on the uncertainty of state subsidies. The going concern opinion has further degraded the ability of HHSC regions to obtain favorable financing for medical equipment and other requirements.

Hawaii Health System Corporation (HHSC) facilities include: Hilo Medical Center, Hale Ho’ola Hamakua, and Ka’u Hospital (East Hawaii Region); Kona Community Hospital and Kohala Hospital (West Hawaii Region); Maui Memorial Medical Center, Lanai Community Hospital and Kula Hospital (Maui Region); Leahi Hospital and Maluhia (Oahu Region); Kauai Veterans Memorial Hospital and Samuel Mahelona Memorial Hospital (Kauai Region), Yukio Okutsu State Veterans Home - Hilo, Roselani Place – Maui, Ali’i Health Center – West Hawaii, and Affiliate HHSC facility Kahuku Medical Center – Oahu.

During Fiscal Year 2008 Hawaii Health Systems Corporation began a significant transition toward a new governance structure that was set forth in passage of Act 290 (Session Laws of Hawaii 2007). A new HHSC Corporate Board of Directors was created, increasing board membership from thirteen to fifteen and including two Physician members appointed from the Kauai Region on a two-year term and subsequent Physician membership rotation to follow from the regions of Maui, East Hawaii and West Hawaii. Five Regional System Boards of Directors were established and a new Corporate/Regional System Board Policy Committee including representation from each Regional Board was also created to assure organized transition and transference of authority to the regional systems. The Hawaii Governance Academy of The Governance Institute provided assistance in the development, orientation and education support for each of the corporate and region boards that were established including conducting the Governance Leadership Program for Board Members, and also supporting the transfer of authority process with a framework for development of basic criteria and accountabilities for the Transfer of Governance Responsibilities and Authorities to Five New Regional Health System Boards. This extensive process includes a transition of powers, delegations, and custodial control of assets, personnel, services, operations of the Hawaii health systems corporation.

In concert with implementation of Act 290 (2007) the Physician Leadership Group (PLG), constituted of physicians throughout the regions, has met to discuss clinical and medical staff issues facing our hospitals and continued to provide guidance and support that are tremendously important to both the successful functioning of the system and establishment of strategic direction of the system.

As a public hospital system, HHSC depends heavily on input and support from our local communities. Over this past year, hundreds of community volunteers Statewide donated thousands of service hours to our facilities. The attached report details the donations of time and money from our communities in support of our facilities, representing the regions of East Hawaii, West Hawaii, Maui, Kauai and Oahu.

HHSC management has worked with respective hospital foundations to obtain donations and grants to both enhance services provided and to offset the cost of operating our system under

the provisions of State civil service collective bargaining in predominantly rural areas. In this regard, HHSC has promoted the development of foundations at our hospitals and incorporated the Hawaii Health Systems Foundation (HHSF) as a wholly owned subsidiary 501(c) (3). Eleven years ago, there were three foundations supporting HHSC facilities of which only two were active. Today there are nine separate foundations and multiple hospital auxiliaries supporting one or more HHSC hospitals.

We have continued to develop and improve our clinical and non-clinical quality programs consistently putting into practice our mantra that "Quality is Job One."

HHSC quality initiatives, which have provided the system with measurable solutions for improving quality of care, were accomplished through the dedicated efforts and cooperation of our staff, community physicians, and other healthcare professionals.

All HHSC facilities are fully certified and licensed by both State and National standards. All HHSC facilities are Medicare/Medicaid certified and all have successfully passed those surveys. In 2008, HHSC completed its fifth Hospital accreditation survey by the Joint Commission again resulting in a full 3 yr accreditation for all hospitals surveyed.

HHSC also continues its long-standing participation with Hawaii Medical Services Association (HMSA) Hospital Quality and Service Recognition program that offers financial incentives for meeting performance indicators related to patient care quality.

HHSC management has worked in concert with our Corporate Board of Directors, Regional Boards of Directors, Physician Leadership Group, and many other external constituencies to seek creative and effective solutions to financial and operating issues; including State leaders and unions to endorse major change to move the system toward reducing request for State support. During this unprecedented time of National, State and HHSC specific challenge, more than ever we all understand the need to find new solutions to providing services to the communities that we serve while reducing the demands on the State to provide support. HHSC continues to solicit input from all of our stakeholders as to potentially new and innovative changes that could further improve HHSC's efficiency in the way we provide care to the communities we serve. We will continue to interact with both the Administration and the Legislature on future directions for HHSC with a commitment by our new Governance and management to pursue the HHSC system-wide and regional strategic plans and actions to advance a long range structure for HHSC in terms of the state's future role in the provision of "safety net" healthcare.

In order to provide full perspective on challenges and outcomes in FY 2009, copies of the HHSC budget briefing presentations to the January 8, 2009 House Committee on Finance and the Senate Committee on Ways and Means and the HHSC Informational Briefing to the January 30, 2009 Senate Committee on Health and Committee on Labor are attached as well as our most up-to-date financial testimony offered to the Senate Committee on Ways and Means on April 7, 2009, pertaining to HB 200 HD1, the State Budget.

If you have any questions, please call me personally at 733-4151.

Mahalo Nui Loa,

A handwritten signature in black ink, appearing to read "Tom Driskill". The signature is fluid and cursive, with a large initial "T" and "D".

THOMAS M. DRISKILL, JR.

President and CEO

Hawaii Health Systems Corporation

Attachments:

1. Annual Audit – Consolidated Financial Statements for Years Ended June 30, 2008 and 2007
2. Projected revenues for each facility for FY09
3. List of proposed capital improvement projects during FY09
4. HHSC Information Overview and Volunteer Community Support (FY03-08)
5. HHSC Budget Informational Briefings to the Senate Committee on Ways and Means and the House Committee on Finance, January 8, 2009
6. HHSC Informational Briefing to the Senate Committee on Health and Committee on Labor, January 30, 2009
7. HHSC Testimony on the State Budget (HB 200HD1) to the Senate Committee on Ways and Means, April 7, 2009
8. Reports on establishment of HHSC Corporate and Regional Systems Board of Directors (FY08)



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 17, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth Legislature
Hawaii State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

For your information and consideration, I am transmitting two (2) copies of the Hawaii Health Systems Corporation Annual Financial Audit and Report to the Legislature pursuant to Chapter 323F-223, HRS. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at www.hhsc.org.

Sincerely,

LINDA LINGLE

Enclosures



EXECUTIVE CHAMBERS

HONOLULU

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GOVERNOR

July 17, 2009

The Honorable Calvin K.Y. Say, Speaker
and Members of the House of Representatives
Twenty-Fifth Legislature
Hawaii State Capitol, Room 431
Honolulu, Hawaii 96813

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bc: Governor's Office Policy Team
Lt. Governor's Office
Legislative Reference Bureau
Legislative Auditor
Department of Budget & Finance



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Department of Budget & Finance

Hawaii Health Systems Corporation

Consolidated Financial Statements for the
Year Ended June 30, 2008, Supplemental Information
for the Year Ended June 30, 2008,
and Independent Auditors' Reports

HAWAII HEALTH SYSTEMS CORPORATION

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HAWAII HEALTH SYSTEMS CORPORATION

INTRODUCTION

Purpose of the Report

The purpose of this report is to present the consolidated financial statements of Hawaii Health Systems Corporation (HHSC) as of and for the year ended June 30, 2008, and the independent auditors' reports thereon.

Scope of the Audit

The audit was required to be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that the auditors plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HHSC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of HHSC's internal control over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

Organization of the Report

This report on the consolidated financial statements is divided into three sections:

- The first section presents this introduction.
- The second section presents the consolidated financial statements of HHSC as of and for the year ended June 30, 2008, and the independent auditors' report thereon. This section also presents management's discussion and analysis and supplemental financial information.
- The third section presents the independent auditors' report in accordance with *Government Auditing Standards* on HHSC's internal control and compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hawaii Health Systems Corporation:

We have audited the accompanying consolidated statement of net assets of Hawaii Health Systems Corporation (HHSC), a component unit of the State of Hawaii, as of June 30, 2008, and the related consolidated statements of revenues, expenses, and changes in net assets and of cash flows for the year then ended. These consolidated financial statements are the responsibility of HHSC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HHSC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of HHSC at June 30, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that HHSC will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, HHSC's recurring losses from operations, recurring negative operating cash flows, and its difficulty in generating sufficient cash flow to meet its obligations and sustain its operations, raise substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 2 of the consolidated financial statements, HHSC adopted the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, on July 1, 2007.

As discussed in Note 2 to the consolidated financial statements, HHSC changed its method of accounting for state appropriations effective July 1, 2007.

As discussed in Note 1, in fiscal year 1997, the administration of the facilities that comprise HHSC was transferred from the State Department of Health — Division of Community Hospitals (State) to HHSC. As of June 30, 2008, negotiations between the State and HHSC relating to the transfer of assets and liabilities (including amounts due to the State) still had not been finalized. Accordingly, the assets, liabilities and net assets reflected in the accompanying consolidated statement of net assets at June 30, 2008, may be significantly different from those eventually included in the final settlement.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2009, on our consideration of HHSC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis information on pages 4 through 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule on pages 39 and 40 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental combining and consolidating information on pages 41 through 42 is presented for the purpose of additional analysis of the basic financial statements rather than to present the financial position and results of operations of individual facilities, and is not a required part of the basic consolidated financial statements. This supplemental schedule and the supplemental combining and consolidating information are the responsibility of HHSC's management. Such information has been subjected to the auditing procedures applied in our audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

Deloitte + Touche LLP

May 15, 2009

HAWAII HEALTH SYSTEMS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2008

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Hawaii Health Systems Corporation's (HHSC) basic financial statements. In accordance with Statement No. 34 of the Government Accounting Standards Board (GASB), *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, a government entity's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of a government entity's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of a government entity's assets and liabilities, with the difference between the two reported as net assets. The statement of revenues, expenses, and changes in net assets presents information showing how the government entity's net assets changed during the most recent fiscal year. The statement of net assets and the statement of revenues, expenses, and changes in net assets are prepared using the economic resources measurement focus and the accrual basis of accounting.

Fund financial statements are used to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All funds of a government entity can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. HHSC's funds are categorized as proprietary funds. Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary fund financial statements are similar to that of the government-wide financial statements in that they are also prepared using the economic resources measurement focus and the accrual basis of accounting.

Under the provisions of GASB No. 34, HHSC is considered to be a Special Purpose government entity. As a Special Purpose government entity engaged only in business-type activities, the only financial statements required to be presented are those for proprietary funds. Accordingly, HHSC's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, a statement of cash flows, and notes to financial statements.

Financial Analysis

Consolidated Statements of Net Assets

Summarized financial information of HHSC's consolidated statement of net assets as of June 30, 2008, is as follows:

ASSETS

Current assets	\$ 144,830,380
Capital assets — net	284,142,914
Other assets	<u>7,364,016</u>
Total assets	<u>\$ 436,337,310</u>

LIABILITIES

Current liabilities	\$ 137,018,943
Capital lease obligations — less current portion	31,996,813
Long-term debt — less current portion	28,451,038
Accrued vacation — less current portion	19,606,026
Other postemployment benefit liability	30,249,692
Due to the State of Hawaii	34,122,507
Other liabilities	<u>662,099</u>
Total liabilities	<u>282,107,118</u>

NET ASSETS

Invested in capital assets — net of related debt	198,283,269
Restricted — primarily for capital acquisitions	2,116,477
Unrestricted	<u>(46,169,554)</u>
Total net assets	<u>154,230,192</u>
Total liabilities and net assets	<u>\$ 436,337,310</u>

At June 30, 2008, HHSC's capital assets, net of accumulated depreciation, comprised approximately 65% of its total assets. These assets consist mainly of land, hospital buildings, and equipment that are used in HHSC's operations. The increase of approximately \$31 million is due to property additions of \$51.4 million, offset by depreciation expense of \$20.3 million and retirements of \$.1 million. The primary reason for the increase is due to the acquisition of Roselani Place for \$16 million (see Note 15), the acquisition of medical equipment, information systems, and architectural fees for a new surgery area and modifications to the existing surgery room at Kauai Veterans Memorial Hospital of \$4 million funded through HHSC's municipal leasing lines of credit, State-funded capital improvement projects of \$16 million, and federal funded capital improvement projects of the Yukio Okutsu Veterans Care Home of \$2.2 million. The State-funded capital improvement projects consisted primarily of construction costs for the Phase I expansion of Maui Memorial Medical Center (MMMC) and the emergency room expansions at Hilo Medical Center (HMC) and MMMC.

A summary of HHSC's capital assets as of June 30, 2008, is as follows:

Land and land improvements	\$ 7,139,880
Buildings and improvements	320,063,549
Equipment	149,573,318
Construction in progress	<u>28,445,947</u>
	505,222,694
Less accumulated depreciation and amortization	<u>(221,079,780)</u>
Capital assets — net	<u>\$ 284,142,914</u>

At June 30, 2008, HHSC's current assets approximated 33% of total assets. Current assets increased \$36.5 million from the fiscal year 2007 balance due to an increase in cash and cash equivalents, amounts due from the State of Hawaii, and estimated third party payor settlements offset by a decrease in federal grants receivable and patient accounts receivable. The increase in cash and cash equivalents of \$7.5 million is primarily due to the receipt of an emergency appropriation of \$14 million in May 2008, which significantly increased the cash balances of Hilo Medical Center, Kauai Veterans Memorial Hospital, Leahi Hospital, and Maluhia. The increase is also due to the receipt of \$11 million in loan proceeds by Maui Memorial Medical Center in April 2008. The amounts due from the State of Hawaii of \$25.9 million represents the outstanding balance of allotments, claims, and encumbrances relating to HHSC's State-funded construction in progress projects, and is reported in the consolidated statements of net assets as of June 30, 2008 because of a change in accounting principle mandated by the State of Hawaii. The increase in estimated third party payor settlements receivable of \$10.1 million is primarily due to \$5.3 million in receivables for fiscal year 2007 cost reports and \$6 million in receivables for fiscal year 2008 cost report settlements from Medicaid for HHSC's critical access hospitals. The decrease in federal grants receivables of \$2.2 million is due to contributions from the Department of Veteran Affairs that were received by HHSC in July 2007. The decrease in patient accounts receivable of \$4.5 million is primarily due to an increase in management's estimate of the allowance for doubtful accounts. Cash collections for the year ended June 30, 2008 were \$381 million, as compared to cash collections for the year ended June 30, 2007 of \$354.7 million. Despite the increase in cash collections, the collections efforts at HHSC's acute care facilities (primarily Hilo Medical Center and Maui Memorial Medical Center) were not able to keep up with the increase in receivables, particularly from third-party payors. Management performed a study of the collectability of those accounts receivable outstanding from June 30, 2008, and determined that subsequent collections activity on those accounts were poor. As evidence of the reduced collections performance, two of HHSC's revenue cycle key performance indicators, third-party accounts receivable greater than 90 days outstanding and third-party accounts receivable greater than 180 days outstanding, indicate that Hilo Medical Center and Maui Memorial Medical Center experienced significant growth in aged third-party accounts receivable. During fiscal year 2008, Hilo Medical Center's third party accounts receivable greater than 90 days outstanding grew from 22% at the beginning of the year to 34% at the end of the year; while its third-party accounts receivable greater than 180 days outstanding grew from 15% at the beginning of the year to 23% at the end of the year. During fiscal year 2008, Maui Memorial Medical Center's third party accounts receivable greater than 90 days outstanding grew from 16% at the beginning of the year to 26% at the end of the year; while its third-party accounts receivable greater than 180 days outstanding grew from 10% at the beginning of the year to 13% at the end of the year.

At June 30, 2008, HHSC's current liabilities approximated 49% of total liabilities. The primary reason for the increase from fiscal year 2007 is due to increases in accounts payable and accrued expenses and an increase in the current portion of capital leases and long-term debt. Accounts payable and accrued expenses at June 30, 2008, increased by \$20.7 million from June 30, 2007, primarily due to an increase of \$16 million in accounts payable, resulting from the cash flow shortfalls experienced by HHSC during fiscal year 2008, and the

incurrence of \$2.1 million in accounts payable and accrued expenses from the initial year of operations for Yukio Okutsu Veterans Care Home. Also, in April 2008, Maui Memorial Medical Center received an \$11 million taxable revolving line of credit loan facility from JP Morgan Chase Bank, N.A. for working capital purposes. The loan requires quarterly interest payments at LIBOR plus 175 basis points, with any unpaid principal amounts due in April 2011. The loan contains several covenants, including a liquidity covenant of a minimum of 30 days of cash on hand, debt to capitalization ratio, and debt coverage ratio. At June 30, 2008, MMMC was in violation of the liquidity covenant requiring a minimum of 30 days cash on hand and the debt to capitalization ratio. Management is working on obtaining a waiver of the covenant, however as a waiver has not been received, the loan has been classified as a current liability in the consolidated statement of net assets.

At June 30, 2008, HHSC's total capital lease obligation balance decreased approximately \$2.3 million from fiscal year 2007 due to scheduled payments, excluding new leases.

At June 30, 2008, HHSC's long-term debt balances represented: 1) notes and term loans payable on the land, building, and medical equipment previously owned by Hilo Residency Training Program with a remaining balance of approximately \$9.8 million, 2) a mortgage note payable relating to the acquisition of nursing cottages on the MMMC campus with a remaining balance of approximately \$864,000, 3) a line of credit to operate the Veterans Home with a remaining balance of approximately \$1.6 million, 4) a bridge loan of \$4 million to pay for the planning and design of a new surgery area and modifications of the existing surgery room at the KVMH, 5) a taxable revolving line of credit facility of \$11 million for working capital purposes, 6) a mortgage note payable relating to the acquisition of Roselani Place with a remaining balance of approximately \$16.5 million, 7) a line of credit to KVMH with a remaining balance of \$200,000, 8) a term loan with a remaining balance of approximately \$442,000, and 9) a loan payable by the Veterans Home with a remaining balance of approximately \$17,000.

At June 30, 2008, the portion of HHSC's net assets that is reflected as its investment in capital assets, net of related debt, of approximately \$198.3 million, and restricted net assets of \$2.1 million are larger than the total net assets of approximately \$154.2 million. This means that HHSC's net operations since inception have resulted in losses of approximately \$46.2 million.

Consolidated Statement of Revenues, Expenses, and Changes in Net Assets

Summarized financial information of HHSC's consolidated statements of revenues, expenses, and changes in net assets for the year ended June 30, 2008, is as follows:

Operating expenses:	
Salaries and benefits	\$ 334,660,708
Purchased services and professional fees	57,413,345
Medical supplies and drugs	54,651,116
Depreciation and amortization	20,297,151
Insurance	4,923,601
Other	<u>51,612,945</u>
Total operating expenses	523,558,866
Operating revenues	<u>392,901,641</u>
Loss from operations	<u>(130,657,225)</u>
Nonoperating revenues:	
General appropriations from State of Hawaii	68,701,083
Collective bargaining pay raise appropriation from State of Hawaii	11,194,016
Restricted contributions	1,356,466
Other nonoperating revenues (expenses) — net	<u>2,143,758</u>
Total nonoperating revenues	<u>83,395,323</u>
Loss before capital grants and contributions	(47,261,902)
Capital grants and contributions	<u>11,393,465</u>
Decrease in net assets before change in accounting principle	(35,868,437)
Change in accounting for state appropriations	<u>30,814,737</u>
Decrease in net assets	<u>\$ (5,053,700)</u>

For the year ended June 30, 2008, HHSC's operating expenses exceeded its operating revenues by \$130.7 million. The appropriations from the State of Hawaii for collective bargaining pay raises of \$11.2 million, general fund appropriations from the State of Hawaii of \$68.7 million, restricted contributions of \$1.4 million, other non-operating revenues-net of \$2.1 million, capital grants and contributions from the State of Hawaii and the federal government of \$11.4 million, and the change in accounting for state appropriations of \$30.8 million resulted in a decrease in net assets of \$5 million.

Operating expenses in fiscal year 2008 were approximately 19% higher than fiscal year 2007. The increase was mainly in the category of salaries and benefits, medical supplies and drugs and purchased services expenses. Salaries and benefits expense increased 24% from fiscal year 2007, due primarily to the following factors: 1) collective bargaining pay raises of 2.5% to 5% for HHSC's union employees totaling approximately \$11.2 million, 2) implementation of GASB 45 relating to HHSC's share of the State of Hawaii's retiree health insurance liability of \$30.2 million, 3) additional salaries and benefits expense from the start of operations for the Yukio Okutsu Veterans Care Home (\$1.4 million), Kahuku Medical Center

(\$1.3 million), and Alii Health Center (\$1.2 million), and 4) additional employees hired by HHSC's acute facilities to support clinical operations. Total filled FTE's for all of HHSC increased from 3,753 at June 30, 2007 to 3,896 at June 30, 2008, an increase of 143 FTE's or 3.8%. The largest increases in filled FTE's were at Hilo Medical Center (43 FTE's) and Maui Memorial Medical Center (55 FTE's), primarily to accommodate higher patient volumes. For Maui Memorial Medical Center, acute patient days increased 8% from fiscal year 2007 to fiscal year 2008, and emergency department visits increased 3% from fiscal year 2007 to fiscal year 2008. Also, additional FTE's were hired to staff the new Molokai East wing. For Hilo Medical Center, total admissions increased 5% from fiscal year 2007 to fiscal year 2008, and emergency department visits increased 6% from fiscal year 2007 to fiscal year 2008. Medical supplies and drug expenses increased by \$5.5 million, or 11%, from fiscal year 2007 in proportion to the increase in HHSC average daily census. Purchased services increased by \$5.5 million due to an increase in on-call payments for physicians, primarily at Maui Memorial Medical Center.

Fiscal year 2008 operating revenues increased by approximately 6.9% over fiscal year 2007 as a result of increases in patient volume and negotiated rate increases from third-party payors. Average daily census increased from 1,088 in fiscal year 2007 to 1,099 in fiscal year 2008, an increase of 11 patients per day, or approximately 1%. The facilities with the largest increases in revenue were Maui Memorial Medical Center (MMC), Kona Community Hospital (Kona), and Kauai Veterans Memorial Hospital (KVMH). The increase in revenues at MMC is primarily due to an increase in average daily census of 5.6 patients more per day in fiscal year 2008 than in fiscal year 2007 as a result of opening the Molokai East Med/Surg wing of 19 beds. Emergency room visits also increased by 3% in fiscal year 2008 as compared to fiscal year 2007. Kona operating revenues increased primarily due to an increase in average daily census of 5.41 patients more per day than in fiscal year 2007, or 7.8%. Kona's operating revenues were also lower in fiscal year 2007 due to the loss of revenue from the October 2006 earthquake. Emergency room visits also increased 5% from fiscal year 2007. KVMH operating revenues increased from fiscal year 2007 due to 3.8% increase in average daily census, an increase in emergency department revenue by \$1 million as a result of having 1,000 more emergency department visits in fiscal year 2008 than fiscal year 2007, and an increase in radiology revenues of approximately \$600,000. Also, the increase in operating revenues is also due to the start of operations of the Yukio Okutsu Veterans Care Home (\$694,000 in operating revenue), Kahuku Medical Center (\$2.2 million in operating revenue), and Alii Health Center (\$2 million in operating revenue).

For the years ended June 30, 2008 and 2007, General Fund Appropriations from the State of Hawaii consisted of \$68.7 million and \$34.2 million, respectively, approved for HHSC's operating purposes by the 2007 and 2005 Legislatures, respectively.

HHSC's management believes that the significant excess of operating expenses over operating revenues in both 2008 and 2007, as well as the cumulative net losses, is due to several factors. First, HHSC's payor mix is made up of predominantly government-type payors. For fiscal year 2008, 59% of HHSC's total gross revenues were from government-type payors (approximately 23% from Medicare and approximately 25% from Medicaid and QUEST). In fact, government-type payors account for 89% of HHSC's long-term care revenues. Reimbursements from government-type payors has not kept up with the increasing costs of health care providers since the Balanced Budget Act of 1997 was passed, which dramatically reduced the level of reimbursements from government-type payors. According to the November 2007 "Financial Trends of Hawaii's Hospitals, Nursing Facilities, Home Care and Hospice Providers" presented by the Healthcare Association of Hawaii, Medicare and Medicaid/QUEST pays only 80% of cost for all Hawaii hospitals, the lowest as compared to all other third-party payors.

Further, management believes that there are two Medicaid reimbursement issues that have had a significant negative impact on the financial performance of HHSC: the implementation of Act 294 and the lack of Medicaid Disproportionate Share Hospital (DSH) provider reimbursements in the State of Hawaii. Act 294 was passed by the State Legislature in 1998, and requires that no later than June 30, 2003, there be no

distinction in reimbursement rates between hospital-based and non-hospital-based long-term care facilities under the Medicaid program. Prior to the passage of Act 294, hospital-based long-term care facilities received a higher reimbursement than freestanding long-term care facilities under the Medicaid program, primarily due to the recognition that hospital-based long-term care facilities are subject to the compliance with "Emergency Medical Treatment and Labor Act" (EMTALA) requirements, which requires hospitals to accept all patients who come through an emergency room, regardless of the patient's ability to pay. Freestanding long-term care facilities are not subject to EMTALA requirements. Compliance with EMTALA requirements imposes additional costs on hospital-based long-term care facilities, primarily in staffing requirements and in bad debt expense. Six HHSC facilities would be negatively impacted by the implementation of Act 294, while one facility (Maluhia) would be positively impacted. Understanding the dramatic impact that implementation of Act 294 would have on HHSC, DHS authorized a phased implementation of Act 294 over six years. However, management estimates that even with a phased implementation, the cost to HHSC will be approximately \$38 million over the six-year phase-in period. Upon the implementation of Act 294, management estimates that the cost to HHSC will be approximately \$13 million per year. Management believes that such large annual costs will simply serve to increase the amount of general fund appropriations that HHSC will be seeking from the State of Hawaii each year, as the amount of cost reductions/revenue enhancements that can be reasonably explored will not be enough to absorb such costs. In September 2003, the Center for Medicare and Medicaid Services approved Hawaii's Medicaid State Plan Amendment to provide relief payments to those nursing facilities negatively impacted by Act 294. In fiscal year 2008, HHSC accrued estimated Act 294 relief payments for patient services rendered in fiscal years 2006 through 2008 of \$3,786,146. While this will provide short-term relief for HHSC's facilities that are negatively impacted by Act 294, management is continuing to work with DHS to explore long-term alternative reimbursement solutions that would ease the burden of Act 294 on HHSC's long-term care facilities.

When the State of Hawaii implemented the QUEST program in 1994, the federal funds provided to the State of Hawaii for Medicaid DSH payments to hospitals were used to partially fund the QUEST program in order to expand health insurance coverage to more residents of the State. DSH payments are additional reimbursements that attempt to reflect additional costs incurred by providers who serve a significantly disproportionate number of low-income patients and/or significant number of Medicaid patients. HHSC's patient mix is such that it would have qualified for Medicaid DSH payments had the State of Hawaii not eliminated such payments. Such additional reimbursements would have reduced the amount of State subsidies needed to finance the operations of HHSC. Management estimates that if the State of Hawaii had maintained Medicaid DSH payments, the amount of federal funds received by the State of Hawaii for the Medicaid program would be significantly more than what is currently being provided. To illustrate the importance of Medicaid DSH payments to public hospital systems, the National Association of Public Hospitals' report on "America's Public Hospitals and Health Systems, 2007" states that "Medicaid DSH funding financed more than a quarter of the unreimbursed care provided in 2007, while state and local payments financed 33 percent." The State Department of Human Services (DHS), in partnership with HHSC management, the Governor, the State of Hawaii Legislature, and the Healthcare Association of Hawaii (HAH), was able to use HHSC's fiscal years 2007 and 2008 projected losses from providing uncompensated care under the Medicaid fee-for-service program to draw down additional federal funding for all Hawaii hospitals. DHS has paid to HHSC \$6.9 million for both fiscal years 2008 and 2007. Because of this innovative approach to drawing down additional federal funds, HHSC was able to reduce its request for State general fund appropriations by those amounts in fiscal years 2008 and 2007. Management will continue to work with DHS, the State of Hawaii Legislature, and HAH to explore long-term reimbursement enhancements that could reduce HHSC's reliance on general fund appropriations.

A recent program announced by the Centers for Medicare & Medicaid Services (CMS) is expected to have a significant impact on all health care providers in the near future. CMS has awarded contracts to four Recovery Audit Contractors (RACs) to identify improper payments made on claims of health care services provided to Medicare beneficiaries (either overpayments or underpayments). RACs will be paid on a contingency fee

basis on both the overpayments and underpayments they find. The Tax Relief and Health Care Act of 2006 requires a permanent and national RAC program be in place by January 1, 2010. A demonstration RAC program conducted in California, Florida, New York, Massachusetts, South Carolina, and Arizona resulted in over \$900 million in overpayments being returned to the Medicare Trust Fund between 2005 and 2008. It is anticipated that RACs will be investigating Hawaii health care providers sometime after August 1, 2009. Management cannot estimate the impact on the RAC program on HHSC, but believes that any negative impact on cash flows could be significant as the overpayments identified by the RAC are due immediately to the Medicare Trust Fund and any appeals will not be adjudicated until after the funds have been paid to Medicare.

Second, HHSC's facilities on the neighbor islands suffer from an insufficient supply of long-term care beds. For fiscal year 2008, HHSC's long-term care occupancy percentage was 97%, and there are very few other freestanding long-term care facilities on the neighbor islands. As a result, HHSC's acute care facilities, especially HMC and MMMC, have numerous patients initially admitted as acute patients, but who continue to occupy acute-care beds while awaiting long-term care beds to become available. Such patients are called "wait-list" patients. HHSC receives little to no reimbursement from insurers for such patients, as insurers will not reimburse providers for patients whose required level of care does not coincide with the type of bed the patient is occupying. The 2009 Healthcare Association of Hawaii Waitlist Task Force report shows that the net loss per day for waitlisted patients ranges from \$724 to \$1,087 per day. Combined, HMC and MMMC have an average census of approximately 44 wait list patients per day. Management expects the wait-list problem to worsen as Hawaii's population continues to age and the State of Hawaii lags behind on a credible plan to address the long-term care crisis.

Third, HHSC's salaries and benefits expenses represent approximately 64% of its total operating expenses, and management continues to face several challenging issues regarding management of personnel and personnel costs. HHSC is bound by the collective bargaining agreements negotiated by the State of Hawaii and the public employee unions (HGEA and UPW). The collective bargaining agreements not only bind HHSC to the negotiated pay raises, but also to the union work regulations and benefit packages. Management believes that such arrangements do not allow HHSC to manage its resources as effectively as other healthcare systems.

Also, since the majority of HHSC's facilities are in rural locations, management faces many recruitment and retention issues of key clinical personnel. Areas of acute shortage include RNs and LPNs, anesthetists, imaging technicians, physicians, surgery technicians, pharmacists and pharmacy technicians, and health information management specialists. These shortage areas are caused by several factors: 1) a nation-wide shortage of health care workers, 2) the inability of local colleges and universities to provide sufficient classes and teachers that can educate students in these areas, and 3) competition for these same types of positions with private hospitals, which can pay significantly higher wage rates than HHSC. In particular, the shortage of RNs and LPNs results in HHSC having to expend significant amounts for agency nurses, which are paid at significantly higher rates. Agency nurse expenses increased from \$5,909,792 for fiscal year 2005 to \$9,589,838 for fiscal year 2008. Another issue compounding HHSC's nursing situation is the fact that all of HHSC's nurses are full-time salaried employees, while the nurses at the other private hospitals are hourly employees. This allows the private hospitals to increase or decrease their nurse staffing based on census; by contrast, HHSC facilities cannot decrease their nurse staffing if census is lower than budgeted.

The shortage of physicians on the neighbor islands has been of particular concern to management. In past years, HHSC's facilities had very little contractual or employment relationships with physicians. The medical staff of HHSC's facilities consisted of those physicians with their own practices who had admitting privileges at the facilities. Within the past several years, many of the physicians who had practices on the neighbor islands have left their communities because of a confluence of factors including low physician reimbursements from third-party payors, high malpractice insurance costs, Hawaii's high cost of living, and the lack of tort reform that would limit the amounts that parties could sue medical care providers. As a result, residents of the neighbor islands were at times not able to receive specialty physician services in the event of an emergency, and had to be transported to Oahu to receive the necessary care. As an example, according to Hawaii Health Information Corporation data for fiscal year 2008, 56% of East Hawaii residents and 63% of West Hawaii residents were discharged for orthopedic surgeries from Oahu hospitals. In keeping with HHSC's mission of providing and enhancing accessible, comprehensive healthcare services that are quality-driven, customer-focused, and cost-effective, management began to contract or employ physicians to ensure that neighbor island residents would be able to receive quality healthcare in a timely manner in the community in which they reside. HHSC's costs of contracting with or employing physicians increased from \$9.6 million in fiscal year 2007 to \$15.5 million in fiscal year 2008. These costs not only include the salary or contract payments to the physicians, but also the cost of establishing the clinics and physician offices for those physicians. Management believes that without significant medical tort reform and an increase in physician reimbursement rates, there will be continuing pressure put on HHSC's facilities to recruit and employ the physician specialists that are needed to ensure that neighbor island residents receive the quality healthcare that they deserve.

Related to the physician shortage issue is the issue of on-call coverage. In the past, physicians provided on-call coverage for hospital emergency rooms as part of their duties as a medical staff member. However, due to the financial pressures listed in the paragraph above, physicians have started to demand payment for providing on-call coverage for hospital emergency rooms in order to make up for the financial shortfalls they experience from their private practices. Management has attempted to mitigate the need to pay physicians for on-call coverage by contracting with or employing hospitalists. Hospitalists are doctors whose primary professional focus is the practice of hospital medicine. They help manage patients throughout the continuum of hospital care, often seeing patients in the emergency room, and admitting them to inpatient wards. However, the lack of specialty physician availability on the neighbor islands described above has caused HHSC to pay certain of its physicians to provide on-call coverage for the emergency room. HHSC's cost for hospitalist/on-call coverage was \$5.3 million in fiscal year 2007 and \$8.1 million in fiscal year 2008.

Fourth, HHSC inherited aging facilities upon the formation of the Corporation in 1996. These aging facilities require substantial improvements and maintenance before they can be brought up to par with other health care facilities in the State of Hawaii. While the State of Hawaii has provided annual funding for capital improvement projects, that funding has been primarily used to correct life-safety code concerns. Funding for medical equipment, application systems, and routine repair and maintenance must be funded from HHSC's operational cash flow. Given HHSC's payor mix and cost burdens, HHSC's operational cash flows are inadequate to fully fund the capital acquisitions that are necessary to keep up with the advances in health care technology that allow hospitals to improve the quality of care for their patients. Management has identified over \$986 million in capital improvement projects that need to be funded in the next ten years in order to have HHSC's facilities continue to deliver quality care to its patients.

Fifth, in the 2004 State of Hawaii Legislative Session, the Legislature passed, and the Governor signed into law, HB 2136, which effectively removed exemptions from HRS 103(d) (the "State procurement code") for many state agencies (including HHSC) effective January 1, 2005. The State procurement code required that for purchases greater than \$25,000, competitive sealed bids must be solicited, with the award of the contract made to the lowest responsive and responsible offeror. For purchases less than \$25,000, the State procurement code required that the State agency obtain no less than three price quotes, with the award of the contract made

to the most advantageous quotation. Any exceptions to these regulations must be approved by the Chief Procurement Officer for that agency. Under Act 262, HHSC was granted the ability to develop its own internal policies and procedures for the procurement of goods and services, consistent with the goals of public accountability and public procurement practices, but not subject to HRS 103(d). In fact, prior to the formation of HHSC, the state hospitals under the Division of Community Hospitals were excluded from HRS 103(d) competitive procurement provisions, so that the hospitals could have the autonomy to procure goods and services in a setting where timeliness is crucial to the provision of quality health care to patients.

During the 2006 Legislative Session, the State of Hawaii Legislature passed S.B. 2898, S.D.2, H.D.2, C.D.1, designating the chief executive officer of HHSC as its chief procurement officer. This bill also amended HRS 103(d) by raising the small purchase threshold from \$25,000 to \$50,000. Even with the designation of chief procurement officer authority, HHSC has incurred significant costs in its attempt to comply with the provisions of HRS 103(d). The most troubling cost is in the area of delayed medical care due to the delay in obtaining needed medical equipment. This results in more pain for the patient and the likelihood of a detrimental outcome increases. Another cost is that the medical staffs at HHSC's hospitals are upset about the implementation of the code. These physicians are being forced to spend an inordinate amount of time justifying the purchase of a specific piece of essential medical equipment on a piece-by-piece basis, which is time that could better be spent providing care to their patients. Given the shortage of certain physician specialists on the neighbor islands, anything that would cause frustration to these physicians could result in a loss of certain specialty care in neighbor island communities should these physicians choose to leave. The medical staffs are also upset that preferences of a surgeon in using particular brands of medical equipment require extensive justification under HRS 103(d). Further, the State Procurement Office is having a difficult time providing answers to questions and training to HHSC personnel due to their limited staff and the difficulty in reconciling the provisions of HRS 323(f) (the statute that delineates the powers and governance of HHSC) and HRS 103(d). Finally, HHSC has incurred costs in increasing procurement/legal staff to handle the increased workload of complying with the requirements of HRS 103(d), as well as the cost of increased employee time to handle the increased paperwork and number of requests for proposal (RFPs) that are required under the code. An exemption was granted to the regions within HHSC as a result of Act 290, which is discussed more later on in this report.

In the 2007 Legislative Session, two acts were passed that will have a significant effect on how HHSC operates as a healthcare system in the future. Act 113, H.B. 843, which became effective May 31, 2007, amends Hawaii Revised Statutes 323F to allow for the assimilation of Kahuku Hospital into HHSC in a manner and to an extent that may be negotiated between Kahuku Hospital and HHSC. Kahuku Hospital is a 25-bed critical access hospital that provides acute, long-term care, and emergency room services to the North Shore residents on the island of Oahu. From July 1, 2007 through March 13, 2008, HHSC operated Kahuku Hospital under a management agreement between the two parties. HHSC formed a nonprofit corporation, Kahuku Medical Center, to acquire the assets of Kahuku Hospital and to operate the facility. On March 14, 2008, the asset purchase was completed and the facility is now operating as Kahuku Medical Center.. Management believes that the assimilation of Kahuku Hospital and its subsequent operation as Kahuku Medical Center is in line with HHSC's safety-net mission to provide important healthcare services in Hawaii's rural communities.

Act 290, S.B. 1792, which became effective July 1, 2007, requires the establishment of a 7 to 15-member regional system board of directors for each of the five regions of the HHSC system, and restructured the HHSC board of directors from a 13-member board to a 15-member board. Further details on the establishment of the regional boards and the impact on the HHSC board of directors can be found in Note 1 to the consolidated financial statements. Management believes that this Act significantly changes the structure and operations of HHSC since its inception in 1997, and that the new governance model will enhance the ability of HHSC's five regions to respond to the healthcare needs of their communities. However, management believes that a realistic transition work group is necessary to capitalize on the Act 290 transition

that has been put into effect. This transition work group would evaluate where HHSC facilities are now, what are the future needs of the communities that HHSC serves, and what is the best way to facilitate HHSC obtaining the authority and tools necessary to get its costs under control while evolving to meet the future needs of the communities. The HHSC Corporate Board and management are committed to working collaboratively with each of the five regions and representatives of the Legislature to establish a new operating model or models for all or portions of the State's community hospital system and to establish plans for a smooth transitioning process for any facility or region that will be restructured. Accordingly, management is supporting enabling legislation that would authorize a facility or regional health care system under HHSC to transition into a new legal entity, including a nonprofit or for-profit corporation, municipal facility, or public benefit corporation. Management believes that such enabling legislation would allow HHSC the flexibility to become more efficient and possibly attract new sources of capital that would alleviate the need for growing general fund subsidies from the State of Hawaii.

Finally, HHSC is a significant provider of health care for the State of Hawaii. For fiscal year 2008, HHSC's facilities accounted for 19.20% of all acute care discharges in the State of Hawaii. HHSC's facilities discharged more acute care patients during that time period than most of the acute care hospitals on Oahu. Also, HHSC is the sole source of health care for several isolated neighbor island communities (e.g. Ka'u, Kohala, Lanai, etc.). Further, MMMC is the primary acute care facility on the island of Maui, and HMC and Kona Community Hospital are the only acute care facilities with more than 50 acute beds on the island of Hawaii. In large part because of HHSC's facilities in Maui, 80.87% of Maui County residents received their care in Maui instead of having to fly to Oahu to receive care. The same can be said for residents of the county of Hawaii, as 67.48% of all residents in the county of Hawaii received medical services from HHSC's five facilities on the island of Hawaii. In addition, Leahi Hospital functions as the primary tuberculosis hospital for the State of Hawaii. Also, HHSC's long-term care facilities provide the primary source of long-term care services for elderly people who cannot afford private care or nursing homes and do not have family that can care for them. Given all of the above, management believes that HHSC has a vital role in ensuring that the people of the State of Hawaii have access to quality health care.

HAWAII HEALTH SYSTEMS CORPORATION

CONSOLIDATED STATEMENT OF NET ASSETS JUNE 30, 2008

ASSETS

CURRENT ASSETS:

Cash and cash equivalents:

On deposit with the State of Hawaii \$ 13,060,251

On deposit with banks and on hand (Note 3) 20,778,180

Patient accounts receivable — less allowances of \$132,613,558
for contractual adjustments and doubtful accounts 57,479,173

Due from Medicaid for Act 294 3,786,146

Supplies and other current assets 14,857,878

Due from the State of Hawaii (Note 5) 25,876,767

Estimated third-party payor settlements (Note 6) 8,991,985

Total current assets 144,830,380

CAPITAL ASSETS — Net (Notes 4, 7, 8, and 13) 284,142,914

ASSETS LIMITED AS TO USE 2,490,398

OTHER ASSETS (Notes 8 and 11) 4,873,618

TOTAL \$ 436,337,310

(Continued)

HAWAII HEALTH SYSTEMS CORPORATION

CONSOLIDATED STATEMENT OF NET ASSETS JUNE 30, 2008

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses (Note 11)	\$ 79,791,668
Accrued workers' compensation liability (Note 14)	18,299,000
Current portion of accrued vacation (Note 7)	14,409,184
Current portion of capital lease obligations (Note 7)	7,974,585
Current portion of long-term debt (Note 8)	15,981,243
Other current liabilities	<u>563,263</u>

Total current liabilities 137,018,943

CAPITAL LEASE OBLIGATIONS — Less current portion (Note 7) 31,996,813

LONG-TERM DEBT — Less current portion (Note 8) 28,451,038

ACCRUED VACATION — Less current portion (Note 7) 19,606,026

OTHER POSTEMPLOYMENT BENEFIT LIABILITY (Note 2) 30,249,692

DUE TO THE STATE OF HAWAII (Note 5) 34,122,507

PATIENTS' SAFEKEEPING DEPOSITS AND DEFERRED
INCOME — Restricted contributions 373,921

OTHER LIABILITIES 288,178

Total liabilities 282,107,118

COMMITMENTS AND CONTINGENCIES (Note 14)

NET ASSETS:

Invested in capital assets — net of related debt	198,283,269
Restrictions — primarily for capital acquisitions (Note 12)	2,116,477
Unrestricted (Note 3)	<u>(46,169,554)</u>

Total net assets 154,230,192

TOTAL \$ 436,337,310

See notes to consolidated financial statements.

(Concluded)

HAWAII HEALTH SYSTEMS CORPORATION

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS YEAR ENDED JUNE 30, 2008

OPERATING REVENUES:

Net patient service revenues (net of contractual adjustments and provision for doubtful accounts of \$422,923,443) (Note 9)	\$ 385,396,995
Other operating revenues	<u>7,504,646</u>
Total operating revenues	<u>392,901,641</u>

OPERATING EXPENSES:

Salaries and benefits (Notes 2, 9, and 10)	334,660,708
Medical supplies and drugs	54,651,116
Purchased services (Notes 9 and 11)	49,788,837
Depreciation and amortization	20,297,151
Other supplies	15,572,964
Utilities	11,968,167
Repairs and maintenance	10,105,730
Professional fees	7,624,508
Rent and lease (Note 14)	5,824,253
Insurance	4,923,601
Other	<u>8,141,831</u>
Total operating expenses	<u>523,558,866</u>

LOSS FROM OPERATIONS (130,657,225)

NONOPERATING REVENUES (EXPENSES):

General appropriations from the State of Hawaii	68,701,083
Collective bargaining pay raise appropriation from the State of Hawaii	11,194,016
Noncapital restricted contributions (Note 12)	1,356,466
Interest and dividend income	1,030,747
Interest expense (net of capitalized interest) (Notes 7 and 8)	(4,448,164)
Act 290 appropriation from the State of Hawaii	750,000
Other nonoperating revenues — net (Notes 9 and 11)	<u>4,811,175</u>
Total nonoperating revenues — net	<u>83,395,323</u>

LOSS BEFORE CAPITAL GRANTS AND CONTRIBUTIONS (47,261,902)

CAPITAL GRANTS AND CONTRIBUTIONS (Notes 4 and 13) 11,393,465

DECREASE IN NET ASSETS BEFORE
CHANGE IN ACCOUNTING PRINCIPLE (35,868,437)

CHANGE IN ACCOUNTING FOR STATE APPROPRIATIONS (Note 2) 30,814,737

DECREASE IN NET ASSETS (5,053,700)

NET ASSETS — Beginning of year 159,283,892

NET ASSETS — End of year \$ 154,230,192

See notes to consolidated financial statements.

HAWAII HEALTH SYSTEMS CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2008

OPERATING ACTIVITIES:

Receipts from government, insurance, and patients	\$ 380,959,224
Payments to employees	(300,135,426)
Payments to suppliers and others	(152,165,074)
Other receipts — net	<u>7,504,646</u>

Net cash used in operating activities	<u>(63,836,630)</u>
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NONCAPITAL FINANCING ACTIVITIES:

Appropriations from the State of Hawaii	80,645,099
Repayment of advance from the State of Hawaii	(10,000,000)
Other nonoperating revenues — net	<u>6,261,282</u>

Net cash provided by noncapital financing activities	<u>76,906,381</u>
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CAPITAL AND RELATED FINANCING ACTIVITIES:

Repayments on capital lease obligations	(7,833,505)
Capital expenditures	(24,312,118)
Payments on long-term debt	(10,338,933)
Interest on capital lease obligations and long-term debt	(4,448,164)
Additions to long-term debt	39,133,704
Proceeds from federal grants	<u>2,243,898</u>

Net cash used in capital and related financing activities	<u>(5,555,118)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	7,514,633
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CASH AND CASH EQUIVALENTS — Beginning of year	<u>26,323,798</u>
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CASH AND CASH EQUIVALENTS — End of year	<u>\$ 33,838,431</u>
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(Continued)

HAWAII HEALTH SYSTEMS CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2008

RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES:

Loss from operations	\$ (130,657,225)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Provision for doubtful accounts	36,150,026
Depreciation and amortization	20,297,151
Changes in operating assets and liabilities:	
Patient accounts receivable and amounts due from Medicaid for Act 294	(30,493,818)
Supplies and other assets	(2,376,361)
Assets limited as to use	1,818,436
Accounts payable, accrued expenses, and other liabilities	19,238,915
Accrued workers' compensation liability	(721,204)
Postretirement benefits	30,249,692
Estimated third-party payor settlements	(10,093,979)
Accrued vacation	<u>2,751,737</u>

NET CASH USED IN OPERATING ACTIVITIES \$ (63,836,630)

SUPPLEMENTAL CASH FLOW INFORMATION — Interest paid, primarily on capital lease obligations

\$ 4,448,164

NONCASH FINANCING AND INVESTING ACTIVITIES:

Capital assets acquired under capital leases and debt	9,558,626
Capital assets contributed by the State of Hawaii	16,331,444
Other assets contributed by the State of Hawaii	276,403
Capital asset purchases included in accounts payable	2,691,359
Rental income contributed to and equity in earnings of the Clinical Laboratories of Hawaii partnership	751,776

See notes to consolidated financial statements.

(Concluded)

HAWAII HEALTH SYSTEMS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2008

1. ORGANIZATION

Structure — Hawaii Health Systems Corporation (HHSC) is a public body corporate and politic and an instrumentality and agency of the State of Hawaii (State). HHSC is managed by a chief executive officer under the control of a 15-member board of directors.

In June 1996, the Legislature of the State passed Act 262, S.B. 2522. The Act, which became effective in fiscal year 1997, transferred all facilities under the administration of the Department of Health — Division of Community Hospitals to HHSC. HHSC currently operates the following facilities:

East Hawaii Region:

Hilo Medical Center
Hale Ho'ola Hamakua
Ka'u Hospital
Yukio Okutsu Veterans Care Home

Maui Region:

Maui Memorial Medical Center
Kula Hospital
Lanai Community Hospital

West Hawaii Region:

Kona Community Hospital
Kohala Hospital

Oahu Region:

Leahi Hospital
Maluhia
Kahuku Medical Center

Kauai Region:

Kauai Veterans Memorial Hospital
Samuel Mahelona Memorial Hospital

Act 262 also amended a previous act to exempt all facilities from the obligation to pay previously allocated central service and departmental administration expenses by the State.

HHSC is considered to be administratively attached to the Department of Health of the State and is a component unit of the State. The accompanying consolidated financial statements relate only to HHSC and the facilities, and are not intended to present the financial position, results of operations, or cash flows of the Department of Health.

Negotiations between HHSC and the State relating to the transfer of assets and assumption of liabilities pursuant to Act 262 had not been finalized as of June 30, 2008. Accordingly, the assets, liabilities, and net assets of HHSC reflected in the accompanying consolidated statement of net assets may be significantly different from those eventually included in the final settlement.

The consolidated financial statements are being presented for HHSC, Hawaii Health Systems Foundation (HHSF), and Alii Community Care, Inc. (Alii). HHSF and Alii are nonprofit organizations of which HHSC is the sole member. The purpose of HHSF is to raise funds and to obtain gifts and grants on behalf of HHSC. The purpose of Alii is to own, manage, and operate assisted living and other health care facilities in the State.

In June 2007, the State Legislature passed Act 290, S.B. 1792. This Act, which became effective July 1, 2007, required the establishment of a seven to 15-member regional system board of directors for each of the five regions of the HHSC system. Each regional board was given custodial control and responsibility for management of the facilities and other assets in their respective regions. This Act also restructured the 13-member HHSC board of directors to 15 members, comprised of 10 members appointed by the governor from nominees submitted by legislative leadership, two at-large members at the governor's discretion, two physician members selected by the HHSC board, and the State Director of Health.

Act 290 also exempted the regions from the requirements of the State procurement code and other exemptions from State agency laws, such as tax clearance certificate requirements, the concession law, and the sunshine law.

Kahuku Medical Center — In June 2007, the State Legislature passed Act 113, H.B. 843. This Act amended Hawaii Revised Statutes 323F to allow for the assimilation of Kahuku Hospital into HHSC in a manner and to an extent that was to be negotiated between Kahuku Hospital and HHSC. The Act also specified that none of the liabilities of Kahuku Hospital were to become the liabilities of HHSC, that HHSC could adjust the levels of services provided by Kahuku Hospital, and that the employees of Kahuku Hospital were not to be considered employees of the State. This Act appropriated \$3,900,000, which was disbursed through the Department of Health of the State, to pay for the cost of acquiring the assets of Kahuku Hospital and to operate the facility.

From July 1, 2007 through March 13, 2008, HHSC operated Kahuku Hospital under a management agreement between the two parties. HHSC formed a nonprofit corporation, Kahuku Medical Center, to acquire the assets of Kahuku Hospital and to operate the facility.

On March 14, 2008, the asset purchase was completed for a purchase price of approximately \$2,652,000 in cash, including transaction costs of \$197,000 in cash, and the facility is now operating as Kahuku Medical Center. The purchase price was allocated to assets based on their respective estimated fair values at the acquisition date, with the excess purchase price allocated to goodwill. This allocation is subject to finalization of the valuation of certain assets. Approximately \$2,178,000 was allocated to capital assets subject to depreciation, \$61,000 to supplies, and \$413,000 to goodwill, which is being amortized over an estimated useful life of five years. Amortization expense was approximately \$10,000 in fiscal 2008.

The results of operations of Kahuku Medical Center are included in HHSC's consolidated financial statements commencing on March 14, 2008. HHSC has not presented unaudited pro forma results of operations because the acquisition of Kahuku Medical Center is not material to its consolidated results of operations, financial position or cash flows.

Going Concern — During the year ended June 30, 2008, HHSC incurred losses from operations of approximately \$130.7 million and had negative cash flows from operations of \$63.8 million. For fiscal year 2009, HHSC is anticipating continued operating losses, offset by State appropriations for general operations and collective bargaining of \$78 million, and an additional \$14 million of emergency appropriation, which was approved by the State of Hawaii House of Representatives and the State of Hawaii Senate, and is pending approval by the Governor of the State of Hawaii. Management believes that maintaining the current levels of service that HHSC provides would require increased funding by the State. HHSC projects continued operating losses for fiscal years 2010 and 2011 that will exceed anticipated State of Hawaii appropriation for general operations at \$97 million and \$84 million, respectively, and the additional \$14.7 and \$14.5 million for fiscal years 2010 and 2011, respectively, being requested as additional reimbursements from the Department of Human Services through the Medicaid program. At current levels of funding, HHSC is unable to keep current on payments to vendors, as HHSC's days in accounts payable have increased from 73.5 days at June 30, 2007, to 99.6

days at June 30, 2008. HHSC's primary acute care facilities often have critical medical supplies and services vendors placing them on credit hold or cash on delivery status. Further, one of their facilities was unable to comply with certain of its financial covenants on a bank loan. These matters create substantial doubt about HHSC's ability to continue as a going concern.

Management worked with the State of Hawaii legislators and the Governor of the State of Hawaii to seek an increase in general appropriations and/or emergency appropriations as noted above, which was passed in a bill on May 7, 2009 but is currently waiting for the Governor's approval, is meeting with HHSC's vendors to ensure a continual supply of necessary drugs and supplies, and is working with the bank to obtain a waiver for these covenant violations. In addition, as part of the State's 2010-2011 bienium budget, the State of Hawaii Legislature earmarked \$500,000 out of the budgeted appropriations for general operations for HHSC to contract a consultant to perform a study on the operational performance of each of HHSC facilities, recommend optimal legal and governance structure, recommend the optimal provision of corporate office services, and establish performance benchmarks. The accompanying consolidated financial statements do not include any adjustments that might result should HHSC be unable to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — HHSC prepares its consolidated financial statements using the economic resources measurement focus and the accrual basis of accounting.

HHSC's consolidated financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Health Care Organizations*. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, HHSC has elected not to apply the provisions of relevant pronouncements of the Financial Accounting Standards Board issued after November 30, 1989.

Use of Estimates — The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents — Cash and cash equivalents include short-term investments with original maturities of three months or less. It also includes amounts held in the State Treasury. The State Director of Finance is responsible for the safekeeping of all monies paid into the State Treasury ("cash pool"). HHSC's portion of this cash pool at June 30, 2008, is indicated in the accompanying consolidated statements of net assets as "Cash and cash equivalents on deposit with the State of Hawaii." The Hawaii Revised Statutes authorize the Director of Finance to invest in obligations of, or guaranteed by, the U.S. Government, obligations of the State, federally insured savings and checking accounts, time certificates of deposit, and repurchase agreements with federally insured financial institutions. Cash and deposits with financial institutions are collateralized in accordance with State statutes. All securities pledged as collateral are held either by the State Treasury or by the State's fiscal agents in the name of the State.

HHSC has cash in financial institutions that is in excess of available depository insurance coverage. The amount of uninsured and uncollateralized deposits totaled \$20,106,819 at June 30, 2008. Accordingly, these deposits were exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, HHSC's deposits may not be returned to it.

Supplies — Supplies consist principally of medical and other supplies and are recorded at the lower of first-in, first-out cost or market.

Capital Assets — Capital assets assumed from the State at inception are recorded at cost less accumulated depreciation. Other capital assets are recorded at cost or estimated fair market value at the date of donation. Donated buildings, equipment, and land are recognized as revenue when all eligibility requirements have been met, generally at the date of donation. Equipment under capital leases are recorded at the present value of future payments. Buildings, equipment, and improvements are depreciated by the straight-line method using these asset lives:

Buildings and improvements	5–40 years
Major moveable equipment	10–20 years
Fixed equipment	3–15 years

Gains or losses on the sale of capital assets are reflected in other nonoperating revenues. Normal repairs and maintenance expenses are charged to operations as incurred.

Certain of HHSC's capital improvement projects are managed by the State Department of Accounting and General Services. The related costs for these projects are transferred to HHSC's capital assets accounts and are reflected as revenue below the nonoperating revenues category in the consolidated statement of revenues, expenses, and changes in net assets.

Assets Limited as to Use — Assets limited as to use are restricted net assets, patients' safekeeping deposits, and restricted deferred contributions. Such restrictions have been externally imposed by contributors. Restricted resources are applied before unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Patients' safekeeping deposits represent funds received or property belonging to the patients that are held by HHSC in a fiduciary capacity as custodian. Receipts and disbursements of these funds are not reflected in HHSC's operations.

At June 30, 2008, assets limited as to use consisted of restricted cash of \$2,490,398.

Accrued Vacation and Compensatory Pay — HHSC accrues all vacation and compensatory pay at current salary rates, including additional amounts for certain salary-related expenses associated with the payment of compensated absences (such as employer payroll taxes and fringe benefits), in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation is earned at a rate of one and three-quarters working days for each month of service. Vacation days may be accumulated to a maximum of 90 days.

Postemployment Benefits — HHSC adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, on July 1, 2007. This statement requires accrual-based measurement, recognition, and disclosure of other postemployment benefits (OPEB) expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability. Previously, HHSC recorded OPEB expenses when they were paid and did not recognize the liability in its consolidated financial statements. The implementation of GASB Statement No. 45 resulted in HHSC recording OPEB expense and a related liability of \$30,249,692 as of June 30, 2008.

Operating Revenues and Expenses — HHSC has defined its operating revenues and expenses as those relating to the provision of health care services. Those revenues and expenses relating to capital and related financing activities, noncapital financing activities, and investing activities are excluded from that definition.

Net Patient Service Revenues — Net patient service revenues are recorded on an accrual basis in the period in which the related services are provided at established rates, less contractual adjustments, and provision for doubtful accounts. HHSC, as a safety net provider, provides charity care to certain patients; the specific cost of such care for the year ended June 30, 2008, was \$3.9 million.

HHSC has agreements with third-party payors that provide for payments at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are recorded on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. The adjustments to the final settlements did not have a significant impact on the fiscal year 2008 consolidated financial statements.

The estimated third-party payor settlement receivable of \$8,991,985 as of June 30, 2008, is based on estimates, because complete information is not currently available to determine the final settlement amounts for certain cost report years. Management has used its best effort, judgment, and certain methodologies to estimate the anticipated final outcome.

A summary of the payment arrangements with major third-party payors is as follows:

- *Medicare* — Inpatient acute services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge referred to as the inpatient prospective payment system (IPPS). Under the IPPS, each case is categorized into a diagnosis-related group (DRG). Each DRG has a payment weight assigned to it, based on the average resources used to treat Medicare patients in that DRG.

Outpatient services rendered to Medicare beneficiaries are paid under a prospective payment system called Ambulatory Payment Classifications (APC). Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC and, depending on the services provided, hospitals may be paid for more than one APC for an encounter.

Skilled nursing services provided to Medicare beneficiaries are paid on a per diem prospective payment system covering all costs (routine, ancillary, and capital) related to the services furnished. The per diem payments for each admission are case-mix adjusted using a resident classification system (Resource Utilization Groups) based on data from resident assessments and relative weights developed from staff time data.

All Medicare-certified hospitals and Skilled Nursing Facilities are required to file annual Medicare cost reports, which are due to the Medicare fiscal intermediaries five months after the fiscal year end. Medicare cost reports for the majority of the HHSC facilities have been audited by the Medicare fiscal intermediary through fiscal year 2007.

- *Medicaid* — Inpatient acute services rendered to Medicaid program beneficiaries are reimbursed under a prospectively determined rate per day and per discharge with a cost settlement for capital costs. Medicaid long-term care services are reimbursed based on a price-based case mix reimbursement system. The case mix reimbursement system uses the Resource Utilization Groups classification system calculated from the Minimum Data Set assessment. The case mix reimbursement payment method takes into account a patient's clinical condition and the resources needed to provide care for the patient. Medicaid outpatient services are reimbursed based on a fee schedule using current procedure terminology (CPT) codes established for the State.

- *Critical Access Hospitals* — HHSC has eight facilities (Hale Ho'ola Hamakua, Kauai Veterans Memorial Hospital, Kahuku Medical Center, Ka'u Hospital, Kohala Hospital, Kula Hospital, Lanai Community Hospital, and Samuel Mahelona Memorial Hospital) that are designated as critical access hospitals (CAH) by the Center for Medicare and Medicaid Services (CMS). CAHs are limited-service hospitals located in rural areas that receive cost-based reimbursement. To be designated a CAH, a facility must, among other requirements, 1) be located in a county or equivalent unit of a local government in a rural area, 2) be located more than a 35-mile drive from a hospital or another health care facility, or 3) be certified by the State as being a necessary provider of health care services to residents in the area. These facilities are paid an interim reimbursement rate throughout the year based on each facility's expected costs per inpatient day or the allowable outpatient cost-to-charge. After the close of each fiscal year, the facility would receive retrospective settlements for the difference between interim payments received and the total allowable cost as documented in the Medicare cost reports.
- *Sole Community Hospitals* — HHSC has three facilities (Hilo Medical Center, Kona Community Hospital, and Maui Memorial Medical Center) that are designated as sole community hospitals by the CMS. Inpatient case rates for services rendered to Medicare beneficiaries are finally determined upon the filing of the annual Medicare cost reports.
- *Hawaii Medical Service Association (HMSA)* — Inpatient services rendered to HMSA subscribers are reimbursed at prospectively determined case rates. The prospectively determined case rates are not subject to retroactive adjustment. In addition, outpatient surgical procedures and emergency room visits are reimbursed at a negotiated case rate. All other outpatient services are reimbursed based on a fee schedule using standard CPT codes.
- *Other Commercial* — HHSC has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established rates, and prospectively determined daily rates.

State Appropriations — Effective July 1, 2007, HHSC changed its accounting policy to comply with the State of Hawaii's directive to recognize general operating and capital appropriations at the time allotments are made available to HHSC for expenditure. Prior to that date, general operating appropriations were recognized on a monthly basis over the year that the appropriations pertained to, and capital appropriations were recognized at the time the State reimbursed HHSC for the expenditures incurred. The effect of the change was to increase net assets at July 1, 2007, by \$30,814,737.

General appropriations are reflected as nonoperating revenues and capital appropriations are included in capital grants and contributions after the nonoperating revenues (expenses) subtotal in the consolidated Statement of Revenues, Expenses, and Changes in Net Assets. If restrictions are placed on such appropriations, the restrictions are given separate and discrete accounting recognition.

Contributed Services — Volunteers have made contributions of their time in furtherance of HHSC's mission. The value of such contributed services is not reflected in the accompanying consolidated financial statements since it is not susceptible to objective measurement or valuation.

Bond Interest — HHSC reports as nonoperating expense the interest paid by the State for general obligation bonds whose proceeds were used for hospital construction. A corresponding contribution from the State is also reported as nonoperating revenues, resulting in no significant effect in the financial statements. The bonds are obligations of the State, to be paid by the State's general fund, and are not reported as liabilities of HHSC. For the year ended June 30, 2008, the amount of bond interest allocated to HHSC was approximately \$5,651,000.

Risk Management — HHSC is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The facilities are self-insured for workers' compensation and disability claims and judgments as discussed in Note 14.

Concentration of Credit Risk — Patient accounts receivable consists of amounts due from insurance companies and patients for services rendered by facilities. The facilities grant credit without collateral to their patients, most of whom are local residents and are insured under third-party payor arrangements. The mix of receivables from patients and third-party payors at June 30, 2008, was as follows:

Medicare	21 %
Medicaid	17
HMSA	20
Other third-party payors	25
Patients and other	<u>17</u>
	<u>100 %</u>

New Accounting Pronouncements — The following accounting pronouncements will become effective after June 30, 2008:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* — This statement establishes accounting and financial reporting requirements for intangible assets. The statement requires that all intangible assets not specifically excluded by the statement be classified as capital assets. The statement will become effective for periods beginning after June 15, 2009. Management is studying the effects that the statement may have on HHSC's consolidated financial statements.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* — This statement establishes standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The statement will become effective for periods beginning after June 15, 2008. Management is studying the effects that the statement may have on HHSC's consolidated financial statements.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* — This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are complex financial arrangements used by governments to manage specific risks or to make investments. The Statement will require governments to measure derivative instruments at fair value in their economic resources measurement focus financial statements. The Statement will become effective for financial statements for periods beginning after June 15, 2009. Management is studying the effects that this Statement will have on HHSC's consolidated financial statements.

Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* — This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources in governmental funds. The Statement provides for classification of fund balances as nonspendable, restricted, committed, assigned, and unassigned, based

on the relative strength of the constraints that control how specific amounts can be spent. This Statement will become effective for financial statements for periods beginning after June 15, 2010. Management is studying the effects that this Statement will have on HHSC's consolidated financial statements.

GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments — This Statement incorporates the hierarchy of GAAP for state and local governments into the GASB's authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The Statement became effective upon its issuance in March 2009. Management believes that this Statement will make it easier to identify and apply all relevant guidance when preparing future financial statements.

Government Accounting Standards Board Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards — This Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statement on Auditing Standards. The three issues not included in the authoritative literature that establishes accounting principles are: related party transactions, going concern considerations, and subsequent events. The GASB believes that presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. This Statement became effective upon its issuance in March 2009. Management believes that the Statement will improve financial reporting by bringing the authoritative accounting and financial reporting literature together in one place.

3. BOARD-DESIGNATED FUNDS

At June 30, 2008, HHSC's Board of Directors had designated cash reserves as follows:

For capital equipment acquisitions and/or equity investments for growth initiatives	\$ 5,000
For settlement and extinguishment of residual workers' compensation claims	<u>500</u>
Total	<u>\$ 5,500</u>

During the year ended June 30, 2008, HHSC's Board of Directors did not release any of the designated cash reserves for use in operations.

The designated funds are included in cash on deposit with banks.

4. CAPITAL ASSETS

Transactions in the capital assets accounts for the year ended June 30, 2008, were as follows:

	Beginning of Year	Additions	Retirements	Transfers	End of Year
Assets not subject to depreciation:					
Land and land improvements	\$ 6,920,296	\$ 219,584	\$ -	\$ -	\$ 7,139,880
Construction in progress	42,387,766	26,203,223	(32,777)	(40,112,265)	28,445,947
Assets subject to depreciation:					
Buildings and improvements	279,524,980	18,174,749	(8,815)	22,372,635	320,063,549
Major moveable equipment	93,423,091	4,328,846	(4,838,322)	8,667,250	101,580,865
Fixed equipment	<u>36,593,175</u>	<u>2,475,864</u>	<u>(148,966)</u>	<u>9,072,380</u>	<u>47,992,453</u>
	458,849,308	51,402,266	(5,028,880)	-	505,222,694
Less accumulated depreciation and amortization	<u>(205,692,105)</u>	<u>(20,263,684)</u>	<u>4,876,009</u>		<u>(221,079,780)</u>
Capital assets — net	<u>\$ 253,157,203</u>	<u>\$ 31,138,582</u>	<u>\$ (152,871)</u>	<u>\$ -</u>	<u>\$ 284,142,914</u>

In 2008, the State Department of Accounting and General Services transferred capital assets, including construction in progress, aggregating \$16.3 million, to HHSC as a contribution of capital.

During fiscal year 2008 \$2.2 million of capital assets was purchased with funds contributed by the federal government.

5. STATE OF HAWAII ADVANCES AND RECEIVABLES

In fiscal year 2003, HHSC received a \$14,000,000 advance from the State to relieve its cash flow shortfall. At June 30, 2008, HHSC did not have the ability and thus does not intend to repay the advance. Furthermore, management does not expect the State to demand payment of the advance in fiscal year 2009. Accordingly, the advance is classified as a noncurrent liability at June 30, 2008. The amount due to the State of \$34,122,507 at June 30, 2008, consists of the \$14,000,000 previously described, plus \$20,122,507 of cash advances to the Department of Health — Division of Community Hospitals, which was assumed by HHSC at the date of its formation. At June 30, 2008, \$25,876,767 was due to HHSC from the State for allotments made to HHSC before June 30, 2008.

6. ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS

The estimated amounts due from government reimbursement programs at June 30, 2008, consisted of the following:

Cost reports:	
Medicare	\$ 2,084,671
Medicaid	8,197,481
HMSA 65 C Plus	88,147
Medicaid dual eligible claims	<u>(1,378,314)</u>
Total	<u>\$ 8,991,985</u>

7. LONG-TERM LIABILITIES

Among HHSC's long-term liabilities include accrued vacation and capital lease obligations. Transactions for these accounts during the year ended June 30, 2008, was as follows:

	Beginning of Year	Additions	Reductions	End of Year	Current Portion	Noncurrent Portion
Accrued vacation	\$ 31,263,473	\$ 24,352,798	\$ (21,601,061)	\$ 34,015,210	\$ 14,409,184	\$ 19,606,026
Capital lease obligations	42,270,936	5,533,967	(7,833,505)	39,971,398	7,974,585	31,996,813

Future capital lease payments as of June 30, 2008 were as follows:

Years Ending June 30	
2009	\$ 10,369,158
2010	9,049,708
2011	8,136,537
2012	6,073,995
2013	4,198,995
2014–2018	8,956,654
2019–2023	1,537,138
2024–2028	<u>1,113,792</u>
Total future minimum payments	49,435,977
Less amount representing interest	<u>(9,464,579)</u>
Total capital lease obligations	39,971,398
Current portion	<u>7,974,585</u>
Noncurrent portion	<u>\$ 31,996,813</u>

HHSC entered into capital leases on behalf of the facilities. The capital lease obligation is recorded in HHSC Corporate's (Corporate) accounting records. While the assets are being constructed, the amounts are recorded as construction in progress in the accounting records of either Corporate or the facilities. Corporate makes the capital lease payments and incurs the interest expense, while the facilities record depreciation on the capital asset. Corporate also computes capitalized interest on construction in progress and transfers the capitalized interest asset to the facilities. The facilities reimburse Corporate through the due from affiliates account. For the year ended June 30, 2008, interest capitalized was approximately \$446,000.

8. LONG-TERM DEBT

Hilo Residency Training Program — In June 2001, HHSC acquired land, building, and medical equipment of \$11,893,162 from Hilo Residency Training Program, Inc. (H RTP) to ensure the uninterrupted operation of the Hilo Medical Center Cancer Treatment Center and its radiation and medical oncology services. As part of the acquisition, HHSC assumed H RTP's outstanding balances on the loans and notes payable of \$11,893,162 from Central Pacific Bank and the United States Department of Agriculture (USDA). The assets and related liabilities have been recorded in the facility's accounting records. The loans and notes payable are collateralized by a security interest in the capital assets acquired from H RTP, as well as any rights, interest, and other tangible assets relating to such property. In October 2007, the loans and notes payable to Central Pacific Bank and the USDA were refinanced into a single note payable to Academic Capital.

Maui Memorial Medical Center Nurses' Cottages — During fiscal year 2003, HHSC acquired buildings for \$1,690,900 on behalf of Maui Memorial Medical Center (MMC) for use in its operations. During fiscal year 2003, Corporate transferred the buildings to MMC but retained the loan payable in its accounting records. The loan payable is collateralized by a security interest in the capital assets acquired.

MMMC Working Capital Financing — In April 2008, MMMC obtained an \$11,000,000 taxable revolving line of credit loan facility from JP Morgan Chase Bank, N.A. for working capital purposes. The loan requires quarterly interest payments at London InterBank Offered Rate (LIBOR) plus 175 basis points, with any unpaid principal amounts due in April 2011. The loan is collateralized by a first priority security interest and lien on all assets of MMMC, including, without limitation, all revenues and all real property and improvements. The loan contains several covenants, including a liquidity covenant of a minimum of 30 days of cash on hand, debt to capitalization ratio, and debt coverage ratio. At June 30, 2008, MMMC was in violation of the liquidity covenant requiring a minimum of 30 days cash on hand and the debt to capitalization ratio. Management is working on obtaining a waiver of the covenant, however, as a waiver has not been received, the loan has been classified as a current liability in the consolidated statement of net assets.

Kauai Veterans Memorial Hospital Kalaheo Clinic — During fiscal year 2005, Kauai Veterans Memorial Hospital (KVMH) purchased certain assets of a clinic operated by certain physicians for \$360,000. The assets purchased included office equipment, supplies, a trademark/service mark, and noncompete agreements for two physicians. No existing liabilities of the clinic were assumed. Since the purchase price exceeded the estimated fair value of the purchased assets, goodwill of \$243,000 was recorded, and is being amortized over 40 years. The non-compete agreements were valued at \$55,000 and are being amortized over the three-year period of the agreements. The goodwill and non-compete agreements are included in other assets. In connection with the purchase, HHSC paid cash of \$108,000 and signed two promissory notes to the former clinic owners totaling \$252,000.

Term Loan — In August 2006, Corporate entered into a term loan for \$758,000 to pay for the planning and design of a new surgery area and modifications of the existing surgery room at KVMH. The original term loan required monthly payments of interest at LIBOR plus 3%, and the principal balance was initially due in August 2007 but was extended in August 2007 to August 2009. The new terms require \$31,583 in monthly principal payments, plus interest.

Bridge Loan — In April 2008, HHSC Corporate entered into a bridge loan for \$10,000,000 to pay for the architectural, design, and engineering costs of a new surgery area and modifications of the existing surgery room at KVMH. The original bridge loan required monthly payments of interest of \$68,750 out of the lease escrow funds, and the principal balance was initially due on November 1, 2008, but was extended in October 2008 to March 2, 2009. The new terms require \$77,083 in monthly payments of interest out of the lease escrow funds. In February 2009, KVMH paid down \$7 million of its \$10 million principal balance and amended the terms of the bridge loan again to require monthly payments of interest only at \$23,125 with the remaining principal balance of \$3,000,000 due and payable on June 1, 2009. Management expects to refinance this bridge loan with another loan that would finance revised plans to expand the facilities at KVMH on a reduced scale from the original plans.

KVMH Port Allen Clinic — In April 2008, HHSC Corporate entered into a promissory note for \$1,700,000 with Pacific Rim Bank to pay for the leasehold improvements for KVMH's planned clinic in Port Allen. The note calls for monthly interest-only payments for the first six months of the note at 8.5%, with monthly principal and interest payments of \$21,078 for the remaining 9.5 years. The note is secured by a security interest in the leasehold improvements of the Port Allen clinic. At June 30, 2008, \$200,000 had been drawn under this promissory note. Subsequent to June 30, 2008, an additional \$1.1 million was drawn under this promissory note.

Roselani Place — In September 2007, Alii exercised its option to purchase its 113-unit assisted living and Alzheimer facility and personal property from the developer/landlord for \$16 million. In connection with the purchase, Alii also assumed the land lease on which the facility is situated, and a parking license covering real property adjacent to the facility.

In connection with the purchase agreement, Alii also reached an agreement with the developer/landlord concerning an arbitration award that was rendered in favor of the developer/landlord in January 2006 for \$1.9 million. The arbitration decision was on appeal to the Intermediate Court of Appeals of the State of Hawaii. Alii and the developer/landlord agreed to settle the \$1.9 million judgment for \$500,000. This settlement payment is in addition to the \$16 million purchase price.

Yukio Okutsu Veterans Home — In May 2008, the Veterans' Home entered into a line of credit for \$1.8 million, which calls for monthly interest-only payments at a variable rate and matures in December 2008.

Long-term debt as of June 30, 2008, consisted of the following:

Loan payable to Academic Capital; \$10,000,000; interest at 5.9%; monthly principal and interest payments of \$64,068.99; due September 1, 2032	\$ 9,823,517
Loan payable to Academic Capital; \$1,690,900; interest at 6.3%; monthly principal and interest payments of \$19,028; due November 4, 2012	863,929
Loan payable to JP Morgan Chase Bank; \$11,000,000; interest at 4.44625% (interest at LIBOR, plus 175 basis points); quarterly interest payments; due April 10, 2011	11,000,000
Line of credit payable to Pacific Rim Bank; variable rate based on lender's base rate; interest only until maturity on December 5, 2008	1,574,826
Loan payable to AIG Commercial Equip. Finance, Inc.; \$16,500,000; interest at 5.9%; interest-only payments of \$81,125 through October 19, 2008; due October 19, 2027	16,500,000
Loan payable to Academic Capital; \$4,092,771; interest at 8.25%; balance due June 2009	4,010,271
Line of credit payable to Pacific Rim Bank; \$200,000; interest at 8.5%; monthly interest-only payments for the first six months with principal and interest payments thereafter; due October 23, 2018	200,000
Term loan to AIG Commercial Equip. Finance, Inc.; \$758,000; interest at 8.43% (LIBOR, plus 3%); monthly principal payments of \$31,583; due August 1, 2009	442,167
Loan payable to Zions Bank; \$26,283; interest at 8.6%; monthly payments of \$833; due May 31, 2010	<u>17,571</u>
Total	44,432,281
Less current portion	<u>(15,981,243)</u>
Noncurrent portion	<u>\$ 28,451,038</u>

Transactions in long-term debt during the year ended June 30, 2008, were as follows:

	Beginning of Year	Additions	Reductions	End of Year
Long-term debt	\$ 11,612,851	\$ 43,158,363	\$ (10,338,933)	\$ 44,432,281

Maturities of long-term debt as of June 30, 2009 are as follows:

Years Ending June 30	Principal	Interest	Total
2009	\$15,981,243	\$ 1,290,922	\$17,272,165
2010	2,486,293	1,557,327	4,043,620
2011	773,884	1,512,334	2,286,218
2012	821,657	1,464,561	2,286,218
2013	872,150	1,414,028	2,286,178
2014–2018	5,221,138	6,209,585	11,430,723
2019–2023	7,007,581	4,423,141	11,430,722
2024–2028	8,387,141	2,032,037	10,419,178
2029–2033	<u>2,881,194</u>	<u>383,699</u>	<u>3,264,893</u>
Total	<u>\$44,432,281</u>	<u>\$20,287,634</u>	<u>\$64,719,915</u>

9. FACILITY-BASED TECHNICAL SERVICE AGREEMENTS

HHSC has facility-based technical service agreements relating to certain ancillary services. These arrangements are generally related to administrative services, clinical personnel, space rental, and clinical services. Reimbursement arrangements vary by contractor and range from fixed amounts per month to 100% reimbursements of charges. Amounts charged by the contractors are included in operating expenses in purchased services and aggregated approximately \$21,696,000 (excluding Clinical Laboratories of Hawaii partnership fees of approximately \$8,541,000 as disclosed in Note 11) during fiscal year 2008.

In compliance with Medicare and Medicaid regulations, HHSC bills third-party payors for the services provided to patients by the contractors. These billings are included in net patient service revenues.

HHSC charges the contractors for use of the premises, supplies, and laundry. These amounts are included in other nonoperating revenues and aggregated approximately \$1,463,800 during fiscal year 2008. In addition, HHSC charges the contractors for the use of clinical personnel employed in the facilities. These amounts are netted against salaries and benefits expense and totaled approximately \$783,000 during fiscal year 2008.

10. EMPLOYEE BENEFITS

Defined Benefit Pension Plans — All full-time employees of HHSC are eligible to participate in the Employees' Retirement System of the State of Hawaii (ERS), a cost sharing, multiple-employer public employee retirement system covering eligible employees of the State and counties.

The ERS is composed of a contributory retirement plan and a noncontributory retirement plan. Eligible employees who were in service and a member of the existing contributory plan on June 30, 1984, were given an option to remain in the existing plan or join the noncontributory plan, effective January 1, 1985. All new eligible employees hired after June 30, 1984, automatically become members of the noncontributory plan. Both plans provide death and disability benefits and cost of living increases. Benefits are established by State statute. In the contributory plan, employees may elect normal retirement at age 55 with 5 years of credited service or elect early retirement at any age with 25 years of credited service. These employees are entitled to retirement benefits, payable monthly for life, of 2% of their average final salary, as defined, for each year of credited service. Benefits fully vest on reaching

five years of service; retirement benefits are actuarially reduced for early retirement. Covered contributory plan employees are required by State statute to contribute 7.8% of their salary to the plan; HHSC is required by State statute to contribute the remaining amounts necessary to pay contributory plan benefits when due. In the noncontributory plan, employees may elect normal retirement at age 62 with 10 years of credited service or at age 55 with 30 years of credited service, or elect early retirement at age 55 with 20 years of credited service. Such employees are entitled to retirement benefits, payable monthly for life, of 1.25% of their average final salary, as defined, for each year of credited service. Benefits fully vest on reaching ten years of service; retirement benefits are actuarially reduced for early retirement. HHSC is required by State statute to contribute all amounts necessary to pay noncontributory plan benefits when due.

On July 1, 2006, a new hybrid contributory plan became effective pursuant to Act 179, Session Laws of Hawaii of 2004. Participants prior to July 1, 2006, could choose to participate in this hybrid plan or remain in the existing plans. New employees hired from July 1, 2006, are required to join the hybrid plan. Participants will contribute 6% of their salary to this plan. Further, members in the hybrid plan are eligible for retirement at age 62 with five years of credited service or at age 55 and 30 years of credited service. Members will receive a multiplier of 2% for each year of credited service in the hybrid plan. The benefit payment options are similar to the current contributory plan.

HHSC's contribution to the ERS for the year ended June 30, 2008, 2007 and 2006, was approximately \$34.7 million, 26.1 million and 23 million, respectively, equal to the required contribution.

The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813-2929 or by calling (808) 586-1660.

Postretirement Health Care and Life Insurance Benefits — In addition to providing pension benefits, the State provides certain health care (medical, prescription drug, vision, and dental) and life insurance benefits to all qualified employees and their dependents. Pursuant to HRS Chapter 87A, on July 1, 2003, the Hawaii Employer-Union Health Benefits Trust Fund was established as the State agency to provide such benefits.

For employees hired before July 1, 1996, the State pays the entire monthly health care premium for employees retiring with 10 or more years of credited service, and 50% of the monthly premium for employees retiring with fewer than 10 years of credited service. A retiree can elect family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than 10 years of service, the State makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than 10 years of service, the State makes no contributions. For those retiring with at least 10 years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For those employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference in plan costs.

Free life insurance coverage for retirees and free dental coverage for dependents under age 19 are also available. Retirees covered by the medical portion of Medicare are eligible to receive reimbursement of the basic medical coverage premium.

HHSC's contributions for post-retirement benefits approximated \$17,896,000 for the year ended June 30, 2008.

Sick Leave — Accumulated sick leave as of June 30, 2008, was approximately \$58,321,000. Sick leave accumulates at the rate of 14 hours for each month of service, as defined, without limit. Sick pay can be taken only in the event of illness and is not convertible to pay upon termination of employment. Accordingly, no liability for sick pay is recorded in the accompanying consolidated financial statements.

11. CLINICAL LABORATORIES OF HAWAII PARTNERSHIP

On May 1, 2002, HHSC entered into a Partnership Agreement with Clinical Laboratories of Hawaii, Inc., St. Francis Healthcare Enterprises, Inc., and Kapiolani Service Corporation to form Clinical Laboratories of Hawaii, LLP (Partnership). The primary purpose of the Partnership was to provide clinical laboratory services within the State of Hawaii. On June 1, 2002, HHSC contributed the use of the laboratory space and related ancillary services in seven of its facilities (Hilo Medical Center, Kona Community Hospital, MMMC, Hale Ho'ola Hamakua, Ka'u Hospital, Kohala Hospital, and Kula Hospital) in exchange for a less than controlling interest in the Partnership. Ordinary distributions from the Partnership were to be made at least annually from the Partnership's "Available Cash" (as defined in the Partnership Agreement). There were no partnership distributions during fiscal year 2008.

HHSC's investment in the Partnership and related contribution of laboratory space and ancillary services were being recorded over the life of the Partnership Agreement. The contributed space and services recognized in fiscal year 2008 amounted to \$924,477, and the investment balance as of June 30, 2008, was \$4,289,999. The contributed space and services are included in other nonoperating revenues in the consolidated statement of revenues, expenses and changes in net assets, and the investment balance is included in other assets in the consolidated statement of net assets.

In addition, HHSC charged the Partnership for the use of clinical personnel employed in the facilities, and certain routine tests referred to a facility's laboratory by the Partnership. Amounts billed to the Partnership totaled approximately \$869,000 during fiscal year 2008. Amounts due from the Partnership for such charges aggregated approximately \$1,280,000 as of June 30, 2008.

HHSC contracted with the Partnership to provide clinical laboratory and pathology services at its facilities. Amounts charged by the Partnership aggregated approximately \$8,541,000 during fiscal year 2008. Amounts due to the Partnership aggregated approximately \$12.1 million as of June 30, 2008.

KVMH and Samuel Mahelona Memorial Hospital contracted with the Partnership to provide various services, but did not contribute the use of laboratory space and ancillary services to the Partnership. Amounts charged by the Partnership were approximately \$150,000 during fiscal year 2008. In addition, the Partnership contracted with KVMH to perform certain routine tests referred to the KVMH laboratory by the Partnership. Amounts billed to the Partnership were approximately \$81,000 during fiscal year 2008. There were no amounts due from or due to the Partnership as of June 30, 2008. See Note 16 for the sale of the Partnership in September 2008.

12. TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended June 30, 2008, were as follows:

Balance — beginning of year	\$ 2,861,656
Restricted contributions received	1,356,466
Capital assets purchased and expenditures for restricted purposes	<u>(2,101,645)</u>
Balance — end of year	<u>\$ 2,116,477</u>

13. VETERANS HOME

Through the end of fiscal year 2007, \$26,151,230 had been expended for planning, design, and construction costs of the veterans' home. In November 2007, construction on the veterans' home was completed and operation of the 95-bed facility commenced. At the end of November 2007, the total planning, design, and construction costs of \$28,022,522 for the veterans home long-term care facility was completed and reclassified to buildings and improvements in the consolidated statement of net assets.

14. COMMITMENTS AND CONTINGENCIES

Professional Liability — HHSC maintains professional and general liability insurance with a private insurance carrier with a \$25 million limit per claim and \$29 million in aggregate. HHSC's General Counsel advises that, in the unlikely event any judgments rendered against HHSC exceed HHSC's professional liability coverage, such amount would likely be paid from an appropriation from the State's general fund. Settled claims have not exceeded the coverage provided by the insurance carrier in any of the past three fiscal years.

Workers' Compensation Liability — HHSC is self-insured for workers' compensation claims. HHSC pays a portion of wages for injured workers (as required by law), medical bills, judgments as stipulated by the State's Department of Labor, and other costs. HHSC's facilities also directly provide treatment for injured workers. The estimated liability is based on actuarial projections of costs using historical claims-paid data. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. HHSC accrued a liability of \$18,299,000 for unpaid claims as of June 30, 2008.

Corporate Integrity Agreement — In July 2007, Hilo Medical Center (HMC) and the Office of the Inspector General of the U.S. Department of Health and Human Services entered into a settlement agreement and a corporate integrity agreement to resolve allegations of non-compliance with certain federal laws governing HMC's financial arrangements with a physician. The corporate integrity agreement requires HMC to, among other things, maintain its existing compliance program and code of conduct; provide a variety of compliance trainings to its employees, contractors, and physicians; formalize procedures to ensure that each existing and new or renewed arrangements with physicians and other health care providers are in compliance with the federal laws; and retain an Independent Review Organization to conduct periodic reviews of its compliance with the requirements of the agreement.

Operating Lease Agreement — HMC — Effective July 1, 2007, HMC entered into a lease and related sublease agreement for a medical building. Future minimum lease payments and sublease receipts at June 30, 2008, were as follows:

Years Ending June 30	Lease Payments	Sublease Receipts
2009	\$ 733,200	\$ 181,981
2010	733,200	181,981
2011	755,040	187,174
2012	776,880	192,580
2013	776,880	
2014–2017	<u>3,107,520</u>	<u> </u>
Total	<u>\$ 6,882,720</u>	<u>\$ 743,716</u>

Ceded Lands — The Office of Hawaiian Affairs (OHA) and the State are presently in litigation involving the State's alleged failure to properly account for and pay to OHA monies due to OHA under the provisions of the Hawaii State Constitution and Chapter 10 of the Hawaii Revised Statutes for use by the State of certain ceded lands.

During the 2006 Legislative Session, the State of Hawaii Legislature enacted Act 178, which provided interim measures to ensure that a certain amount of proceeds were made available to OHA from the pro rata portion of the public land trust, for the betterment of the conditions of native Hawaiians. The Act provided that the State agencies that collect receipts from the use of lands within the public land trust transfer a total of \$3,775,000 to OHA within 30 days of the close of each fiscal quarter (or \$15,100,000 per fiscal year), beginning with the 2006 fiscal year. In addition, the Act appropriated \$17,500,000 out of the State's general revenues to pay OHA for underpayments of the State's use of lands in the public land trust for the period from July 1, 2001 to June 30, 2005.

On September 20, 2006, the Governor of the State of Hawaii issued Executive Order No. 06-06, which established procedures for the State agencies to follow in order to carry out the requirements of Act 178. Each State agency that collects receipts from the use of ceded or public land trust land is to determine OHA's share of such receipts by calculating the ceded/non-ceded fraction of the parcel that generated the receipt, multiplying the receipt by the ceded/non-ceded fraction, and multiplying that result by 20%. The resulting amounts are to be deposited into a trust holding account established for such purpose, and within 10 days of the close of each fiscal quarter, the amounts are to be transferred to OHA. Within a specified period after the close of each quarter, the Director of Finance is to reconcile the actual amounts transferred to OHA with the required amount of \$3,775,000, and adjust each specific agency's payments accordingly.

For the year ended June 30, 2008, there were no payments made to the OHA.

Litigation — HHSC is a party to various litigation arising in the normal course of business. In management's opinion, the outcome of such litigation will not have a material impact on HHSC's consolidated financial statements.

15. SIGNIFICANT EVENTS

October 15, 2006 Earthquake — On October 15, 2006, an earthquake with a magnitude of 6.7 occurred approximately 10 miles north-northwest of Kailua-Kona on the island of Hawaii. The earthquake and its subsequent aftershocks caused significant damage to the structure and fixtures at

Kona Community Hospital and Hale Ho'ola Hamakua, with minor damage reported at Kohala Hospital, Kula Hospital, and MMMC. Total damages incurred and substantially expensed by HHSC as a result of the earthquake were approximately \$1,825,000. Management expects that the majority of the costs of repairing the hospitals' facilities will be reimbursed to HHSC from a combination of proceeds from the State's property insurance policy and disaster relief assistance from the Federal Emergency Management Agency (FEMA). In September 2007, HHSC received \$82,772 from FEMA through the State Department of Civil Defense for reimbursement of repairs made to HHSC's facilities.

Purchase of Assisted Living Facility — In September 2007, Alii exercised its option to purchase its 113-unit assisted living and Alzheimer facility and personal property from the developer/landlord for \$16 million. In connection with the purchase, Alii also assumed the land lease on which the facility is situated, and a parking license covering real property adjacent to the facility.

16. SUBSEQUENT EVENTS

Sale of Clinical Laboratories of Hawaii Partnership — In September 2008, the partners sold their interest in the partnership to Sonic Healthcare USA. According to the terms of the sale, the majority of the sales proceeds were distributed to each of the partners in the Partnership according to their ownership percentage in the Partnership, with a certain portion being held in escrow to cover unanticipated compliance claims, to be distributed to the partners at certain dates in the future. HHSC's share of the sales proceeds was \$8,484,290, which was used to pay down HHSC's accounts payable to the Partnership as stated in the sale agreement.

Advance from the State of Hawaii — In April 2009, MMMC received a \$2 million advance from the State of Hawaii for working capital. In addition, the facility is also working with the State of Hawaii to obtain an additional \$8 million advance prior to June 30, 2009.

Abandonment of Construction Project — In February 2009, the Kauai Regional Board directed management to cease work on the design and building of a new hospital building and renovation of the existing hospital and medical office buildings located at KVMH, based on the results of an independent third-party financial feasibility study. The total architectural and design fees incurred for this project was approximately \$3.9 million at June 30, 2008, and the total fees incurred as of the date of this report is approximately \$7.2 million. Management is evaluating the architectural and design work performed to date to determine if there are any portions of that work that can be used in future projects on the KVMH campus.

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HAWAII HEALTH SYSTEMS CORPORATION

SUPPLEMENTAL SCHEDULE OF RECONCILIATION OF CASH ON DEPOSIT WITH THE STATE OF HAWAII JUNE 30, 2008

	Appropriation Symbol	
CASH ON DEPOSIT WITH THE STATE OF HAWAII:		
SPECIAL FUNDS:		
	S-07-355-H	\$ 4,230,868
	S-07-365-H	563,494
	S-07-358-H	113,687
	S-07-371-H	608,328
	S-07-353-H	6,563
	S-93-359-H	2,818
	S-96-359-H	2,007
	S-97-359-H	3,556
	S-07-359-H	706,953
	S-08-350-H	2,987,216
	S-08-352-H	172,169
	S-08-351-H	241,831
	S-07-354-H	1,589,322
	S-94-396-H	8,673
	S-95-396-H	19,636
	S-96-396-H	9,039
	S-97-396-H	182
	S-98-396-H	1,687
	S-07-303-H	314,872
	S-08-919-H	472,650
	S-08-353-H	191,203
	T-08-312-H	789,290
TRUST FUNDS:		
	T-04-918-H	1,273
	T-04-923-H	4,129
	T-04-921-H	6,207
	T-08-909-H	<u>19,404</u>
TOTAL PER STATE		13,067,057
RECONCILING ITEMS		<u>(6,806)</u>
TOTAL PER HHSC		<u>\$ 13,060,251</u>

(Continued)

HAWAII HEALTH SYSTEMS CORPORATION

SUPPLEMENTAL SCHEDULE OF RECONCILIATION OF CASH ON DEPOSIT WITH THE STATE OF HAWAII JUNE 30, 2008

	Appropriation Symbol	
ASSETS LIMITED AS TO USE:		
PATIENT TRUST FUNDS:		
	T-07-365-H	\$ 22,912
	T-06-915-H	11,120
	T-04-919-H	1,045
	T-07-925-H	104,546
	T-07-926-H	<u> </u>
TOTAL PER STATE		139,623
RECONCILING ITEMS:		
Patients' safekeeping deposits held by financial institutions		295,345
Restricted assets held by financial institutions		2,091,012
Other		<u>(35,582)</u>
TOTAL PER HHSC		<u>\$ 2,490,398</u>
		(Concluded)

HAWAII HEALTH SYSTEMS CORPORATION

SUPPLEMENTAL COMBINING AND CONSOLIDATING STATEMENT OF NET ASSETS INFORMATION
JUNE 30, 2025

	Hilo Medical Center	Hale Hahaione	Ka'u Hospital	Yule Otulu Veterans Home - Hilo	Kona Community Hospital	Kahala Hospital	Mau Memorial Medical Center	Kula Hospital	Lanai Community Hospital	Lanai Hospital	Maui	Kahuku	Kahuku Veterans Memorial Hospital	Samuel Mahalo Memorial Hospital	Total Facilities	Corporate	Reclassification and Eliminations	HHSC Combined	Hawaii Health Systems Foundation	All - Maui Community Care	All - Kona Community Care	Reclassification and Eliminations	HHSC Consolidated
ASSETS																							
CURRENT ASSETS																							
Cash and cash equivalents	\$ 2,597,216	\$ 243,104	\$ 170,640	\$ -	\$ 1,595,322	\$ 197,766	\$ 4,230,868	\$ 608,328	\$ 113,687	\$ 908,823	\$ 563,494	\$ -	\$ 719,463	\$ 473,695	\$ 12,708,412	\$ 353,839	\$ -	\$ 13,060,251	\$ -	\$ -	\$ -	\$ -	\$ 13,060,251
On deposit with the State of Hawaii	7,000,916	29,349	59,819	200	245,973	216,735	4,302,853	7,137	35,410	571,272	32,235	44,631	270,925	24,806	12,840,244	7,635,471	-	20,475,715	83,113	113,583	105,769	-	20,778,190
Client accounts receivable - less allowances for contractual adjustments and doubtful accounts	14,009,792	441,222	251,119	460,511	7,720,110	412,730	21,583,343	1,810,263	284,390	1,267,011	1,029,865	1,290,819	4,852,509	1,592,816	57,014,500	-	-	57,014,500	-	-	484,673	-	57,499,173
Due from Medicaid for Act 294	895,441	155,323	-	-	263,813	-	7,469	204,633	-	2,115,708	-	-	-	143,958	3,786,148	-	-	3,786,148	-	-	-	-	3,786,148
Liapses and other current assets	2,653,485	80,281	71,324	10,923	2,179,481	46,508	5,901,583	331,858	85,329	738,952	1,341,045	167,431	842,583	177,808	14,637,177	95,127	-	14,732,304	-	45,926	78,648	-	14,857,878
Due from State of Hawaii	809,774	7,761,645	364,720	1,807	176,679	500,000	8,950,465	1,729,824	326,974	775,072	914,416	-	1,594,292	1,221,098	25,126,787	750,000	-	26,876,787	-	-	-	-	26,876,787
Estimated out-of-pocket payor settlements	477,305	1,575,483	830,756	-	396,008	1,176,528	(1,400,847)	1,079,268	525,585	(8,364)	-	610,454	1,120,577	2,813,261	8,991,985	-	-	8,991,985	-	-	-	-	8,991,985
Total current assets	28,843,933	10,282,416	1,846,384	475,441	12,571,166	2,352,287	43,575,915	5,767,359	1,371,315	6,266,482	3,881,058	2,021,535	9,430,429	8,247,441	135,103,231	8,834,437	-	143,537,068	83,113	160,509	649,090	-	144,830,360
DUE FROM AFFILIATES - Net																339,955,354	(328,605,539)	11,149,815	-	-	-	(11,149,815)	-
CAPITAL ASSETS - Net	41,808,574	13,444,965	1,644,211	28,882,363	26,187,259	1,665,475	108,586,568	3,897,061	789,509	4,594,172	4,789,122	2,181,872	18,005,881	5,255,723	261,152,875	7,381,021	-	268,513,696	-	15,473,455	155,783	-	268,142,914
ASSETS LIMITED AS TO USE	38,096	21,825	8,207	78,784	18,881	2,297	405,638	92,156	-	123,606	69,001	372	25,329	70,301	952,508	1,500,000	-	2,452,508	37,890	-	-	-	2,490,396
OTHER ASSETS	2,223,627	45,473	38,814	-	778,346	43,652	1,129,129	31,720	-	-	-	402,927	157,950	-	4,850,878	97,822	-	4,948,700	-	-	22,740	(97,822)	4,873,818
TOTAL	\$ 72,914,232	\$ 23,794,680	\$ 2,938,816	\$ 29,434,598	\$ 39,555,712	\$ 4,263,691	\$ 153,697,270	\$ 9,788,338	\$ 2,170,884	\$ 10,584,230	\$ 8,749,181	\$ 4,606,505	\$ 27,589,689	\$ 11,573,455	\$ 402,050,292	\$ 357,748,634	\$ (328,605,539)	\$ 431,002,387	\$ 171,003	\$ 15,633,964	\$ 827,593	\$ (11,247,637)	\$ 436,337,310
LIABILITIES AND NET ASSETS (DEFICIT)																							
CURRENT LIABILITIES:																							
Accounts payable and accrued expenses	\$ (22,048,128)	\$ (950,281)	\$ (439,727)	\$ (2,093,041)	\$ (10,373,269)	\$ (317,192)	\$ (26,818,482)	\$ (2,032,700)	\$ (410,659)	\$ (1,941,127)	\$ (1,187,960)	\$ (439,317)	\$ (3,727,815)	\$ (1,126,710)	\$ (73,804,358)	\$ (4,731,694)	\$ -	\$ (78,536,052)	\$ (348)	\$ (865,243)	\$ (343,268)	\$ (44,757)	\$ (79,791,668)
Accrued workers' compensation liability	(4,596,000)	(814,000)	(168,000)	-	(2,410,000)	(182,000)	(4,892,000)	(1,568,000)	(100,000)	(1,087,000)	(691,000)	-	(1,144,000)	(585,000)	(17,977,000)	(322,000)	-	(18,289,000)	-	-	-	-	(18,289,000)
Current portion of accrued vacation	(2,494,359)	(292,355)	(119,817)	-	(2,878,152)	(202,482)	(3,582,237)	(484,101)	(92,004)	(1,095,369)	(718,856)	-	(913,432)	(588,777)	(13,459,840)	(922,269)	-	(14,382,109)	-	-	(27,075)	-	(14,409,184)
Current portion of capital lease obligations	-	-	-	-	-	-	(7,126)	-	-	-	-	-	-	-	(7,126)	(7,967,459)	-	(7,974,585)	-	-	-	-	(7,974,585)
Current portion of long-term debt	(150,192)	-	-	(8,806)	-	-	(11,000,000)	-	-	-	-	-	-	-	(11,139,990)	(4,569,221)	-	(15,767,219)	-	(214,024)	-	-	(15,981,243)
Other current liabilities	(192,534)	-	-	-	(8,058)	-	-	-	-	-	-	-	(67,324)	-	(237,914)	-	-	(237,914)	-	(325,320)	(29)	-	(563,253)
Total current liabilities	(29,491,213)	(1,556,535)	(747,544)	(2,101,847)	(15,667,477)	(701,674)	(46,399,845)	(4,102,891)	(602,703)	(4,123,495)	(2,597,835)	(439,317)	(5,852,371)	(2,300,487)	(116,655,236)	(18,511,643)	-	(135,196,878)	(348)	(1,404,587)	(372,372)	(44,757)	(137,018,943)
CAPITAL LEASE OBLIGATIONS - Less current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,956,813)	-	-	(31,956,813)	-	-	-	-	(31,956,813)
LONG-TERM DEBT - Less current portion	(8,833,325)	-	-	(1,583,591)	-	-	-	-	-	-	-	-	(200,000)	-	(11,416,916)	(748,148)	-	(12,165,062)	-	(16,285,976)	-	-	(28,451,038)
ACCURED VACATION - Less current portion	(5,520,354)	(419,970)	(175,655)	-	(1,400,781)	(190,118)	(5,940,003)	(1,318,551)	(163,374)	(1,242,100)	(1,160,150)	-	(965,192)	(775,996)	(19,312,274)	(293,752)	-	(19,606,026)	-	-	-	-	(19,606,026)
OTHER POSTEMPLOYMENT BENEFIT LIABILITY	(7,442,288)	(615,687)	(406,945)	-	(3,639,366)	(352,206)	(8,423,456)	(1,461,785)	(213,535)	(1,836,033)	(1,401,124)	-	(1,643,059)	(1,038,903)	(29,473,397)	(778,295)	-	(30,249,692)	-	-	-	-	(30,249,692)
DUE TO AFFILIATES - Net	(77,787,228)	(4,349,213)	(10,488,944)	(508,155)	(52,038,712)	(8,329,956)	(16,578,561)	(20,441,736)	(12,933,912)	(18,999,577)	(26,559,849)	(921,898)	(50,592,413)	(21,265,384)	(328,805,539)	-	328,805,539	-	-	(10,744,856)	(897,220)	11,642,078	-
DUE TO THE STATE OF HAWAII	-	(506,153)	-	-	(7,605,205)	(528,149)	-	(1,114,264)	-	(8,418,791)	(491,450)	-	(1,043,345)	(2,417,150)	(20,122,507)	(14,000,000)	-	(34,122,507)	-	-	-	-	(34,122,507)
PATIENTS' SAFEKEEPING DEPOSITS AND DEFERRED INCOME - Restricted contributions	(36,058)	(21,826)	(6,207)	-	(7,761)	(2,297)	-	(92,156)	-	(123,606)	(44,466)	(372)	(4,821)	(32,309)	(373,921)	-	-	(373,921)	-	-	-	-	(373,921)
OTHER LIABILITIES	(19,563)	-	-	-	(187,540)	-	-	-	-	-	(13,296)	-	(50,080)	(7,149)	(287,228)	(450)	-	(288,178)	-	-	-	-	(288,178)
Total liabilities	(129,942,290)	(7,459,365)	(11,825,335)	(4,193,593)	(80,556,842)	(11,104,490)	(78,341,855)	(28,531,385)	(13,913,524)	(30,741,602)	(32,298,171)	(1,361,587)	(68,372,181)	(27,835,378)	(526,477,518)	(66,327,059)	328,805,539	(263,999,078)	(348)	(28,435,421)	(1,269,592)	11,597,321	(282,107,118)
COMMITMENTS AND CONTINGENCIES																							
NET ASSETS																							
Invested in capital assets - net of related debt	(31,985,057)	(13,444,965)	(1,044,211)	(27,209,966)	(26,187,259)	(1,665,475)	(97,579,462)	(3,897,061)	(799,509)	(4,457,791)	(4,745,208)	(2,181,872)	(17,605,961)	(5,255,723)	(238,339,340)	37,915,618	-	(200,419,722)	-	2,292,216	(155,783)	-	(198,283,289)
Unrestricted	89,013,025	(2,880,350)	9,932,730	2,127,755	67,199,509	8,506,274	22,629,695	22,640,108	12,542,149	24,215,183	28,308,733	(1,063,247)	58,605,981	21,555,628	363,336,153	(327,841,153)	-	35,495,000	(82,785)	10,509,241	597,762	(348,684)	46,169,554
Restrictions - primarily for capital acquisitions	-	-	-	-	(11,120)	(405,638)	-	-	-	-	(24,538)	-	(20,509)	(37,992)	(578,587)	(1,500,000)	-	(2,078,587)	(37,890)	-	-	-	(2,116,477)
Total net assets	57,027,968	(16,325,315)	8,888,519	(25,241,006)	41,001,130	6,840,799	(75,355,405)	18,743,047	11,742,640	19,757,372	23,538,990	(3,244,818)	40,782,492	16,261,913	124,418,226	(291,421,535)	-	(167,003,306)	(120,655)	12,801,457	441,899	(349,684)	(154,230,182)
TOTAL	\$ (72,914,232)	\$ (23,794,680)	\$ (2,938,816)	\$ (29,434,598)	\$ (39,555,712)	\$ (4,263,691)	\$ (153,697,270)	\$ (9,788,338)	\$ (2,170,884)	\$ (10,584,230)	\$ (8,749,181)	\$ (4,606,505)	\$ (27,589,689)	\$ (11,573,455)	\$ (402,050,292)	\$ (357,748,634)	\$ 328,805,539	\$ (431,002,387)	\$ (121,003)	\$ (15,633,964)	\$ (827,593)	\$ (11,247,637)	\$ (436,337,310)

HAWAII HEALTH SYSTEMS CORPORATION

SUPPLEMENTAL COMBINING AND CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS INFORMATION
YEAR ENDED JUNE 30, 2025

	Facilities														Corporate	Reclassification and Eliminations	IRISC Combined	Hawaii Health Systems Foundation	All Community Care - Maui	All Community Care - Kona	Reclassification and Eliminations	16/SC Consolidated
	Hilo Medical Center	Hale Ho'ole Hamakua	Ka'u Hospital	Yukio Okada Veterans Care Home - Hilo	Kona Community Hospital	Kohala Hospital	Maui Memorial Medical Center	Kula Hospital	Lanai Community Hospital	Leahi Hospital	Maui Memorial Medical Center	Kahuku	Kahuku Veterans Memorial Hospital	Samuel Mahelona Memorial Hospital								
OPERATING REVENUES																						
Net patient service revenue	\$ 96,114,382	\$ 8,376,110	\$ 4,855,971	\$ 893,925	\$ 47,656,307	\$ 5,436,762	\$ 131,646,401	\$ 16,223,735	\$ 2,456,743	\$ 17,510,181	\$ 13,102,767	\$ 1,865,930	\$ 24,617,855	\$ 13,107,334	\$ 384,000,463	\$ -	\$ -	\$ 384,000,463	\$ -	\$ -	\$ -	\$ 385,396,995
Other operating revenues	1,108,503	15,705	18,269	-	636,339	6,874	1,058,212	104,819	16,374	280,220	42,857	180,731	288,499	82,585	3,771,558	-	(212,078)	3,559,510	3,353,695	591,451	-	7,504,646
Total operating revenues	97,222,885	8,391,815	4,874,240	893,925	48,292,646	5,443,636	132,704,613	16,338,554	2,473,117	17,790,401	13,145,624	2,046,661	24,906,354	13,189,920	387,771,991	-	(212,078)	387,559,973	3,353,695	1,988,043	-	392,901,641
OPERATING EXPENSES																						
Salaries and benefits	79,876,934	6,707,764	4,485,327	1,393,438	41,657,528	4,019,058	102,308,281	16,121,414	2,829,548	19,898,838	15,159,777	1,272,722	17,687,832	12,063,699	325,382,388	8,068,255	-	333,458,643	4,220	-	1,187,845	334,650,708
Medical supplies and drugs	13,922,817	218,933	133,290	14,345	8,647,873	140,581	28,355,067	421,182	308,737	448,326	297,069	140,133	2,501,023	308,390	54,538,706	-	-	54,538,706	-	-	112,410	54,651,116
Medical services	14,184,330	965,349	792,517	29,918	6,753,947	914,705	13,478,044	1,992,390	748,733	585,412	754,838	229,578	1,851,665	6,020,942	49,973,566	113,451	(374,781)	49,603,286	-	-	59,005	49,788,837
Depreciation and amortization	3,789,747	493,893	101,311	555,958	2,899,187	253,607	5,603,107	300,924	80,864	733,045	371,348	98,783	1,382,382	428,905	18,090,021	1,420,847	-	19,510,868	-	-	787,278	20,297,151
Other supplies	4,108,914	372,503	131,858	125,433	1,183,202	151,575	4,850,211	849,968	107,522	992,438	752,865	95,142	793,842	590,423	15,185,684	57,699	-	15,243,393	1,745	-	262,501	15,572,964
Utilities	1,812,383	660,718	121,695	168,454	1,408,866	148,236	3,850,518	259,403	118,009	881,582	542,874	91,683	969,739	493,783	11,527,943	84,725	-	11,612,668	-	-	317,028	11,968,187
Repairs and maintenance	2,979,581	293,100	25,744	18,983	1,816,530	135,890	3,059,841	141,523	62,714	313,664	355,216	66,175	560,168	128,833	9,978,950	72,487	-	10,049,447	-	-	45,009	10,105,730
Professional fees	1,538,554	37,218	17,581	2,310	680,858	130,850	1,602,578	96,665	20,732	172,779	29,059	252,033	564,364	302,816	5,448,296	351,297	-	5,797,593	348	-	1,828,567	7,624,538
Professional fees	1,613,907	20,547	30,919	-	382,725	19,938	2,123,050	27,304	7,312	14,187	18,524	42,105	705,325	42,726	6,028,900	69,464	(31,200)	6,067,973	-	-	530,627	6,602,600
Rent and lease	1,120,119	43,379	120,758	243,942	707,881	22,356	1,425,187	102,468	12,859	264,357	127,894	128,095	280,564	148,157	4,748,906	5,733	-	4,754,639	-	-	87,843	4,842,482
Insurance	1,165,783	38,735	59,385	1,205,226	808,958	22,555	1,758,434	94,597	49,924	122,363	71,960	24,898	638,537	119,586	6,381,901	348,547	-	6,730,448	5,821	-	680,227	7,418,675
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	128,121,849	9,842,237	5,000,285	3,858,207	64,974,252	5,958,541	170,190,269	23,468,438	4,147,354	24,526,989	19,481,424	2,462,925	32,710,696	18,596,723	506,281,190	10,810,505	(405,961)	516,485,734	11,934	4,635,056	2,428,142	523,558,868
INCOME (LOSS) FROM OPERATIONS	(29,898,964)	(1,450,422)	(1,126,045)	(3,164,282)	(16,781,607)	(516,105)	(37,215,656)	(4,074,084)	(1,670,237)	(8,736,588)	(5,335,803)	(2,066,264)	(7,804,342)	(3,396,803)	(118,509,199)	(10,810,505)	193,883	(128,925,821)	(11,934)	(1,281,371)	(438,099)	(130,657,225)
NONOPERATING REVENUES (EXPENSES)																						
Central operating appropriations from State of Hawaii	2,787,259	234,521	140,193	-	1,374,753	160,242	3,476,302	549,949	66,805	743,918	558,209	-	1,088,851	-	11,069,812	67,812,232	-	68,701,083	-	-	-	68,701,083
Collective bargaining pay raise appropriation from State of Hawaii	-	38,504	17,042	-	283,043	50,076	391,608	-	-	-	-	-	-	-	11,144,616	124,204	-	11,144,616	-	-	-	11,144,616
Noncapital restricted contributions	22,384	-	90	-	7,213	22,247	38	158	43,746	23,144	-	-	-	347	769,774	283,306	-	1,053,040	303,286	-	-	1,356,466
Interest and dividend income	(696,581)	(2,510)	-	(50,023)	(143,405)	(1,587)	(476,554)	(10,143)	(13)	(899)	(13)	(2,583)	(4,151)	-	(1,333,444)	(2,435,720)	-	(3,769,164)	-	-	-	(4,445,164)
Interest expense (net of capitalized interest)	(2,543,834)	(225,818)	(140,375)	-	(1,489,251)	(139,655)	(4,026,348)	(482,590)	(37,006)	(568,159)	(434,269)	-	(737,591)	(367,679)	(11,674,858)	11,674,858	-	-	-	-	-	-
Corporate education expense	70,000	-	-	-	70,000	-	70,000	-	-	70,000	-	-	-	-	350,000	400,000	-	750,000	-	-	-	750,000
-1,290 appropriation from the State of Hawaii	2,651,513	130,988	11,983	-	172,681	35,718	748,904	93,628	39,510	378,387	(8,384)	-	329,235	291,820	4,878,035	(33,488)	(193,883)	4,684,154	(283,095)	-	(3,900)	447,506
Other nonoperating revenues (expenses) - net	1,667,741	175,965	28,933	(52,023)	274,934	104,786	295,541	150,852	29,364	665,583	149,657	1,088,288	261,875	266,674	5,210,639	78,548,441	(193,883)	83,565,187	35,117	(648,597)	(3,900)	83,565,323
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM	(27,631,223)	(1,274,427)	(1,099,112)	(3,216,305)	(16,506,873)	(411,319)	(37,050,115)	(3,923,204)	(1,640,873)	(8,069,825)	(5,195,113)	790,024	(7,542,468)	(3,128,129)	(113,296,580)	67,937,936	-	(45,260,624)	23,183	(1,929,968)	(441,999)	447,506
CAPITAL GRANTS AND CONTRIBUTIONS	3,310,347	-	30,881	-	(71,409)	500,000	91,332	871,208	247,847	13,491	205,329	2,454,895	1,592,348	1,397,486	10,643,455	750,000	-	11,393,465	-	-	-	11,393,465
DECREASE IN NET ASSETS BEFORE CHANGE IN ACCOUNTING PRINCIPLE	(23,720,876)	(1,274,427)	(1,068,231)	(3,216,305)	(16,578,082)	68,681	(36,958,783)	(3,051,996)	(1,393,226)	(8,056,224)	(4,959,784)	3,244,919	(5,950,118)	(1,730,643)	(102,655,095)	68,687,936	-	(33,867,159)	23,183	(1,929,968)	(441,999)	447,506
CHANGE IN ACCOUNTING FOR STATE APPROPRIATIONS	1,406,354	8,338,770	333,839	1,207	248,089	-	17,808,113	878,616	78,327	978,647	748,232	-	1,944	-	30,814,737	-	-	30,814,737	-	-	-	30,814,737
DECREASE IN NET ASSETS	(22,314,522)	7,064,343	(734,392)	(3,214,498)	(16,329,994)	68,681	(19,150,670)	(2,173,380)	(1,313,899)	(5,078,577)	(4,243,552)	3,244,919	(5,948,174)	(1,730,643)	(71,840,358)	68,687,936	-	(3,152,422)	23,183	(1,929,968)	(441,999)	447,506
NET ASSETS - BEGINNING OF YEAR	(34,713,446)	9,260,972	(8,154,127)	28,455,503	(24,871,136)	(8,929,480)	94,509,078	(16,567,667)	(10,426,741)	(14,877,785)	(19,285,438)	(34,834,318)	(14,531,270)	(52,577,866)	222,733,569	170,155,731	97,472	(10,871,489)	-	-	(97,822)	169,283,892
NET ASSETS - END OF YEAR	\$ (57,027,968)	\$ 16,325,315	\$ (8,888,519)	\$ 25,241,005	\$ (41,001,130)	\$ (8,862,798)	\$ 75,355,495	\$ (18,743,047)	\$ (11,742,840)	\$ (10,757,372)	\$ (23,535,990)	\$ 3,244,919	\$ (40,782,492)	\$ (16,261,913)	\$ (124,418,226)	\$ 291,421,535	\$ -	\$ 167,003,309	\$ 120,655	\$ (12,601,457)	\$ (441,999)	\$ 154,230,152



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Hawaii Health Systems Corporation:

We have audited the consolidated financial statements of Hawaii Health Systems Corporation (HHSC) as of and for the year ended June 30, 2008, and have issued our report thereon (which report expresses an unqualified opinion and includes an emphasis of a matter paragraph on HHSC's ability to continue as a going concern, and explanatory paragraphs relating to the accounting and reporting for postretirement benefits, and on the change in accounting method for state appropriations) dated May 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered HHSC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of HHSC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of HHSC's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we would consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HHSC's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings.

HHSC is still studying the findings identified in our audit and, accordingly, has not yet provided its response.

This report is intended solely for the information and use of the management and the Board of Directors of HHSC and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte + Touche LLP

May 15, 2009

HAWAII HEALTH SYSTEMS CORPORATION

SCHEDULE OF FINDINGS YEAR ENDED JUNE 30, 2008

ALL FACILITIES

2008-1 Compliance with Procurement Code

Criteria — The facilities are required to comply with the State Procurement Code.

Condition — The facilities have designed internal controls over the procurement process, however, several of our selections lacked adequate documentation to support that the procurement procedures were properly followed:

Kauai Veterans Memorial Hospital

The facility incurred architectural services of \$3.2 million prior to a signed executed contract.

Lack of documentation to support procurement requirements for a selection related to expenditures to HFM Food Service

Maui Memorial Hospital

Lack of documentation to support procurement requirements for certain selections related to expenditures to Hawaiian Dredging Construction Company.

Cause — Facility personnel lack the full knowledge of the State Procurement Code.

Effect — The facilities violated the State Procurement Code. However, in certain situations, the facilities self-reported the violation.

Recommendation — Review procedures over procurement at the facilities and consider having internal audit perform an audit over procurement during the fiscal year.

Kahuku Medical Center

Kahuku 2008-1 Purchase Price Allocation

Criteria — Assets acquired should be stated at their fair values.

Condition — The facility did not properly allocate the purchase price to the tangible and intangible assets and contracts acquired during 2008.

Cause — Management did not have the expertise, nor did it engage a valuation specialist to determine the fair value of the assets and contracts acquired.

Effect — The total purchase price of \$3.9 million for the Kahuku Medical Center assets was temporarily recorded to buildings, and no amounts were allocated to the other assets purchased.

Recommendation — Engage a valuation specialist to assist management in determining the fair value of the assets and contracts acquired.

YUKIO OKUTSU VETERANS CARE HOME (VA) — HILO

Yukio 2008-1 Capital Assets

Criteria — The capital assets detail should be updated, reconciled to the general ledger, and reviewed by management on a timely basis.

Condition — The facility did not reclassify building improvements and equipment from construction in progress at the time the building was completed and did not record the individual assets into a capital asset subsidiary ledger to the proper capital asset accounts.

Cause — The facility's accounting records are maintained by a management company, and it appears that they did not update the records on a timely basis, and management failed to detect the error.

Effect — A reclassification of approximately \$29 million was recorded to reclassify the building improvements and equipment from construction in progress, and an audit adjustment of \$536,000 was recorded for the related depreciation during the period the assets were placed into service.

Recommendation — Ensure that all capital assets and related depreciation are properly recorded and updated in fixed asset subledgers.

Yukio 2008-2 Financial Reporting

Criteria — The facility should have a complete set of accounting records.

Condition — The facility did not record all transactions into a single trial balance. Transactions were recorded separately by both HHSC Corporate Office and the consultant used to manage and account for the operations at the facility.

Cause — There is a division of responsibility between the HHSC Corporate Office and the management company for the accounting records of the VA facility. Accounting policies have not been established, which address the responsibility for combining the separate accounting records.

Effect — There was a lack of a complete set of financial statements for the VA facility, until it was combined during the audit.

Recommendation — Establish accounting policies to ensure that all transactions are properly recorded into a single set of financial statements and develop controls to ensure that the financial statements are properly reviewed by management.

ALII COMMUNITY CARE

Alii 2008-1 Allocation of Purchase Price

Criteria — Assets acquired should be stated at their fair values. In addition, the capital assets detail should be updated, reconciled to the general ledger, and reviewed by management on a timely basis.

Condition — The facility did not allocate the \$16 million purchase price of Roselani Place to the assets acquired and lease assumed, the fixed asset subsidiary ledger was not updated, and depreciation was not recorded to the general ledger.

Cause — Management did not have the expertise, nor did it engage a valuation specialist to determine the fair value of the assets acquired and lease assumed, and no amounts were recorded to depreciation because the assets were not included in the fixed asset subledger.

Effect — An audit adjustment of \$767,000 was recorded for the related depreciation, and no amounts were allocated to equipment or the lease assumed.

Recommendation — Engage a valuation specialist to assist management in allocating the purchase price to the fair value of the assets acquired and the lease assumed.

MAUI MEMORIAL MEDICAL CENTER

MMMC 2008-1 Capital Assets

Criteria — The capital asset detail should be updated, reconciled to the general ledger, and reviewed by management on a timely basis.

Condition — The facility had designed internal controls over the recording of entries related to capital assets; however, the internal controls were not implemented properly during the year. Capital asset disposals were not recorded timely in the accounting records of MMMC.

Cause — The individual responsible for the reconciliation of the capital asset account balances did not perform their assigned tasks on a timely basis. As such, this caused a delay in the updating of the capital asset detail and properly updating the general ledger for disposals.

Effect — An audit adjustment of approximately \$1 million of cost and related accumulated depreciation was recorded for the disposal of the asset.

Recommendation — Ensure that capital asset details are updated and reconciled to the general ledger control accounts on a timely basis. Management should review procedures over identifying disposals of assets.

MMMC 2008-2 Unrecorded Payables

Criteria — A search for unrecorded payables should be performed by management prior to the closing of its financial statements.

Condition — The facility had designed internal controls over the recording of accounts payable; however, the internal controls were not implemented properly during the year.

Cause — The cutoff date to ensure that payables are properly accrued at year-end was limited to 25 days, and certain accrual documents were not received by accounting from other departments.

Effect — An audit adjustment of approximately \$1 million to accrue capital assets and expenses.

Recommendation — Review management's procedures for obtaining invoices and contracts from other departments on a timely basis, and reevaluate the cutoff date for recording accounts payable.

Pursuant to Chapter 323F, HRS
Projected Revenues by Each Health Care Facility - FY09

Hawaii Health Systems Corporation
Fiscal Year 2009 Budget
(Amounts in 000s)

Hamakua	7,764
Hilo	99,587
Kau	4,888
Kauai	31,223
Kohala	4,198
Kona	52,582
Kula	14,701
Lanai	2,221
Leahi	16,523
Maluhia	14,375
Maui	158,850
<u>SMMH</u>	<u>10,288</u>
TOTAL	\$417,200

Source: Consolidating Operating Budget 1st Draft

FY 09 CIP IMPLEMENTATION PLAN (\$ thousands)

Contact Person/Phone No. Ronald Kurasaki 497-9350								Planned Allotments	
Priority	Act/Yr	Item	Project Title and Brief Project Description	E or L	M O F	Apprn	Prior Allot	1st Half FY 09	2nd Half FY 09
1	213/07	E-11	HHSC, System wide Seismic Study and Design - Determine seismic deficiencies in hospitals and correct deficiencies	E	C	1,750,000			1,750,000
2	213/07	E-11	Hilo Medical Center, Replace Elevators and Dumbwaiters - Repair or replace deteriorated elevators and dumbwaiters	E	C	5,215,000		500,000	4,715,000
3	213/07	E-11	Kohala Hospital, Renovate and Upgrade Hospital - Renovate hospital's ER Dept and patient areas	E	C	248,000		248,000	
4	213/07	E-11	Kau Hospital, Replace Generator - Replace deteriorating generator and associated equipment	E	C	666,000			666,000
5	213/07	E-11	Lanai Community Hospital, ER Renovations - Renovate ER Dept, waiting area and radiology	E	C	950,000			950,000
6	213/07	E-11	Hilo Medical Center, Replace Operating Room Lights - Replace inefficient Operating room lights	E	C	728,000		728,000	
7	213/07	E-11	Maui Memorial Medical Center, Replace Laundry Exhaust System - Upgrade exhaust system to meet code requirements	E	C	225,000		225,000	
8	213/07	E-11	Kona Community Hospital, Upgrade Fire Alarm - Upgrade fire alarm system to meet code requirements	E	C	488,000		48,000	440,000
9	213/07	E-11	Leahi Hospital, Fire Suppression System - Install fire suppression system in Medical Records Office	E	C	126,600			126,600
10	213/07	E-11	Kula Hospital, Replace grease trap and cesspool - Replace grease trap and cesspool to meet code requirements	E	C	300,000		300,000	
11	213/07	E-11	Maui Memorial Medical Center, Exterior building repairs and reroofing - Repair deteriorated exterior wall surfaces and reroof building	E	C	1,800,000			1,800,000
12	213/07	E-11	Maui Memorial Medical Center, Plumbing repair/improvements - Upgrade patient rooms to meet ADA requirements	E	C	700,000			700,000
13	213/07	E-11	Kula Hospital, Upgrade Flooring - Replace uneven flooring surface	E	C	1,231,000			1,231,000

Priority	Act/Yr	Item	Project Title and Brief Project Description	E or L	M O F	Apprn	Prior Allot	1st Half FY 09	2nd Half FY 09
14	213/07	E-11	Kula Hospital, Plumbing Upgrade - Replace deteriorating plumbing pipes	E	C	400,000			400,000
15	213/07	E-11	Kula Hospital, Reroofing - Replace roofing on main hospital building	E	C	82,121		82,121	
16	213/07	E-11	Hilo Medical Center, Security Wall - A new hollow tile wall needs to be constructed to prevent mental health patients from eloping from the ward	E	C	13,668			13,668
17	213/07	E-11	Hilo Medical Center, Replace Boiler - The existing deteriorated boiler must be replaced	E	C	1,300			1,300
18	213/07	E-11	Kula Hospital, New Nurse Call System - Replace outdated and obsolete nurse call system	E	C	81,000		81,000	
19	213/07	E-11	Hilo Medical Center, Upgrade sterilizer exhaust - Installation of a new exhaust vent for the sterilizer	E	C	37,371		37,371	
20	213/07	E-11	Kau Hospital, Upgrade Air Conditioning - Replace deteriorated Air Conditioning system	E	C	199,000		199,000	
21	213/07	E-11	Kona Community Hospital, Emergency Power Outlets - Install emergency power outlets in patient rooms	E	C	287,121		287,121	
22	213/07	E-11	Leahi Hospital, Fire Alarm Upgrade - Upgrade fire alarm system to meet code requirements	E	C	54,306		54,306	
23	213/07	E-11	Kau Hospital, Plumbing Upgrade - Replace deteriorated plumbing lines	E	C	78,231		78,231	
24	213/07	E-11	Kula Hospital, Fire sprinkler system upgrade - Upgrade fire sprinkler system to meet code requirements	E	C	40,000		40,000	
25	213/07	E-11	Kula Hospital, Replace steamline and equipment - Replace dietary equipment with self-generating steam equipment	E	C	121,000		121,000	
26	213/07	E-11	Samuel Mahelona Memorial Hospital, Upgrade Plumbing - Replace deteriorated plumbing lines	E	C	66,000		66,000	
27	213/07	E-11	Kona Community Hospital, Parking Lot Lighting - Install security lighting in parking lot for staff and public	E	C	41,000		41,000	
28	115/08	E-14.01	Maui Memorial Medical Center, Dialysis Unit renovations - Renovate Dialysis Unit to allow for more patients	E	C	348,000		348,000	

Priority	Act/Yr	Item	Project Title and Brief Project Description	E or L	M O F	Apprn	Prior Allot	1st Half FY 09	2nd Half FY 09
29	115/08	E-14.07	Planning for Kauai Region Hospitals - Develop master plan for Samuel Mahelona Memorial Hospital	E	C	500,000		200,000	300,000
30	115/08	E-14.08	Samuel Mahelona Memorial Hospital, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
31	115/08	E-14.02	Maluhia, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
32	115/08	E-14.03	Kula Hospital, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
33	115/08	E-14.04	Kohala Hospital, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
34	115/08	E-14.05	Hale Ho'ola Hamakua, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
35	115/08	E-14.06	Kau Hospital, Replace failing x-ray system - Replacement of outdated and failing x-ray equipment with new digital equipment	E	C	414,000		54,000	360,000
36	213/07	E-14	Maui Memorial Medical Center, Generators - Replacement of old generators	L	C	3,190,000	300,000		2,890,000
37	213/07	E-13	Leahi Hospital, Master Plan	L	C	80,000			80,000
38	115/08		Maui Region, Construction, Improvement, and Equipment of Health Care Facilities	L		150,000,000			150,000,000
			Total			172,531,718	300,000	4,008,150	168,223,568



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

HHSC Information Overview for FY 2003-2008

POC: Thomas Driskill, HHSC President and CEO; 733-4151
June 2009

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EAST HAWAII REGION

HILO MEDICAL CENTER (HMC)

Hilo Medical Center (HMC) is the largest facility in the Hawaii Health Systems Corporation. Established in 1897, HMC has grown from a 10-bed hospital, created by the Hawaiian Government, to the present facility of 271-licensed beds, consisting of 137 acute and 22 skilled nursing licensed beds including a 20-bed psychiatric unit, a separate 112-bed licensed extended care facility and an accredited home care agency. Built in 1984, the facility sits on roughly 20.5 acres of land, next to the new 95-bed Yukio Okutsu Veterans Home, Hawaii's first State Veterans Home, and the previous site of the "old hospital". Today, HMC is the largest employer in Hilo, with 946 (FTE, FY08) employees.

Also on campus are Hawaii Pacific Oncology Center, Liberty Dialysis and the Veteran's Administration (VA) Community-Based Outpatient Clinic. Other off-campus clinics also under Hilo Medical Center include Surgery, Cardiology Neurology and Urology. Efforts by our Medical Group Practice Director and Medical Staff Office to recruit physicians in general and specialty areas are underway and ongoing. In addition, Hilo Medical Center is exploring possibilities of recruiting hospitalists in Long-Term Care, Behavior Health, Obstetrics and Neonatology.

This past year, HMC had 7,944 admissions. In addition, HMC delivered 1,170 babies, and had 31,557 emergency visits (second busiest in the State, after Queens Medical Center on Oahu).

Programs and Services

2003 FY

- Admissions 7,055
- Births 1,008
- ER Visits 21,564
- Patient Days 82,217

2004 FY

- Admissions 7,211

- Births 1,076
- ER Visits 22,769
- Patient Days 79,768

2005 FY

- Admissions 7,433
- Births 1,106
- ER Visits 23,762
- Patient Days 82,008

2006 FY

- Admissions 7,211
- Births 1,063
- ER Visits 23,676
- Patient Days 87,703

2007 FY

- Admissions 8,797
- Births 1,177
- ER Visits 32,128
- Patient Days 90,078

2008 FY

- Admissions 7,944
- Births 1,170
- ER Visits 31,557
- Patient Days 85,593

Patient services include:

- 24-Hour Physician-Staffed Emergency Care
- Intensive and Cardiac Critical Care, Echocardiography, Thallium Stress Treadmills, Pacemakers, Cardiac Telemetry
- Hospitalist Services
- Intensivist
- Acute Inpatient Dialysis
- Bronchoscopy
- Obstetrics with Childbirth Education Classes, Labor and Delivery, and Post-partum Services
- Gynecology
- Pediatrics
- Adult Psychiatric Care
- General Radiology
- Urology
- Neurology
- Angiography and Interventional Radiology
- Telemedicine, including Teleradiology
- Surgical Services—Same Day Surgery, Post-Anesthesia Care, and Special Procedures
- Subspecialty Surgery Services—Vascular Surgical Services (Open and Endo-), Orthopedics, Ophthalmology, Otorhinolaryngology, Urology
- Physiatry
- Skilled Nursing and Long Term Care Facilities
- Wound and Ostomy Services
- Endoscopy, including ERCP
- Outpatient Surgery Clinic
- Hawaii Pacific Oncology Center—Medical and Radiation Oncology

- In-Patient Pharmacy
- EEG
- 24 hour CAP-Accredited Pathology Laboratory and Blood Bank Services
- Food and Nutrition Services and Counseling
- Home Healthcare
- 32 Multi-Slice CT Scanner, MRI, Ultrasound, Nuclear Medicine
- Rehab Services-Physical, Occupational, Speech, and Recreational Therapies
- Respiratory Therapy
- Social Services

HMC's strategy to continue meeting our region's health care needs is to expand and enhance services. One of the brightest spots in East Hawaii and perhaps our the entire state is the November 2007 dedication of the Yukio Okutsu Veterans Home, Hawaii's first State Veterans Home. This 95-bed Veterans nursing home and day health center honors Hawaii's veterans with an attention to detail in the design, architecture, color scheme and layout. The home offers many amenities such as private and specially designed semi-private rooms, wide hallways accented with archways, central air conditioning and a number of common areas for residents to visit with friends and family. Avalon Health Care has been named as the management company in charge of the home's daily operations.

The Emergency Department Expansion and Renovation Project began in February 2007 and is slated for completion in 2008. The project will add a nursing station, increase the number of exam rooms from 14 to 28, and the expand the Emergency Department area from over 7,000 sq. ft. to over 11,000 sq. ft. The additional space will provide patients more privacy and comfort. Last year, over 32,000 patients visited our Emergency Department, which was originally built to handle 11,000 visitors per year.

In September 2007, HMC's Emergency Department launched the Electronic Medical Record system – HHSC's first. Prior to the launch, Emergency Department physicians and staff, as well as, staff from Laboratory, Radiology, Respiratory Therapy, and Patient Services participated in months of training and preparation.

In the year ahead, Hilo Medical Center's priorities will be focusing on: initiating the Family Practice Residency Program/Rural Health Training Program in collaboration with the University of Hawaii at Manoa John A. Burns School of Medicine; replacing or renovating and expanding the 112-bed Extended Care Facility to a 200-bed facility; retaining and recruiting physicians; establishing a Cardiovascular Service Line; achieving a Level 2 Neonatal Intensive Care Unit;

and creating a Human Patient Simulation Unit for training and advanced education.

NEW PROGRAMS, COST SAVINGS, REVENUE ENHANCEMENTS

- Expansion and Renovation of the Emergency Room
- Electronic Medical Records System Installed in the Emergency Department
- Completion of the 95-bed Yukio Okutsu Veterans Home with adult day care
- Hospitalist Service
- Neurology Specialist
- Urology Specialist
- Neonatology Specialist
- Family Medicine Residency Rotation

2007 HMSA Quality Award Recipient: Hilo Medical Center was recognized in 2007 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year. HMC received second place for improving sepsis rates and third place overall in the State. This facility's quality care improvements resulted in HMSA awarding HHSC almost \$894,000 to be disbursed among those 6 HHSC hospitals recognized by HMSA.

COMMUNITY-BASED FOUNDATION SUPPORT OF EAST HAWAII REGION FACILITIES: FY2003-2008

Estimated Total Fundraising, Private Donations, Grant Funding:

- 2002 – 2003 - \$662,754
- 2003 – 2004 - na
- 2004 – 2005 - \$1,631,653
- 2005 – 2006 - \$215,980
- 2006 – 2007 - \$188,909
- 2007 – 2008 - \$811,197

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit HMC = \$3,510,493

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **100**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility: **24,300 volunteer hours**
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$15,000 - \$30,000 annually**

- FY2004 Number of Active Volunteers: **100**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility: **27,100 volunteer hours**
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$15,000 - \$30,000 annually**

- FY2005 Number of Active Volunteers: **100**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility: **26,000 volunteer hours**
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$15,000 - \$30,000**

- FY2006 Number of Active Volunteers: **100**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility: **23,000 volunteer hours**
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$39,000**

- FY2007 Number of Active Volunteers: average of **96** volunteers per month
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility: **20,424** volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$60,000**

- FY2008 Number of Active Volunteers: average of **90** volunteers per month
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility: **19,549** volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: \$0

GRAND TOTAL 2003-2008 Auxiliary \$\$ to benefit HMC = \$174,000+

HALE HO'OLA HAMAKUA (HHH)

Hale Ho'ola Hamakua (HHH), originally known as Honoka'a Hospital, has served the healthcare needs of the communities of Hamakua, North Hawaii and South Kohala since 1951. In November 1995, a new fifty (50)-bed facility was opened above the old hospital, to provide long-term-care services. The facility was renamed Hale Ho'ola Hamakua (Haven of Wellness in Hamakua) in 1997 to reflect its new focus.

HHH employs a staff of 82 (FTE, FY08) of which a significant number are residents of the area who were former employees or related to employees of the Hamakua Sugar Company that phased out in 1994. The Hamakua Sugar Company Infirmary, which became the Hamakua Health Center, provides primary care and behavioral health services to the community in a building owned and leased from HHH.

The greater part of the "old" Honokaa Hospital building is being leased to the University of Hawaii-Hilo for the North Hawaii Education and Research Center (NHERC), a project providing college, vocational, and special interest courses in North Hawaii. It will also function as a base for offsite distance learning for the university to all parts of the State. One of the goals for NHERC is to offer Certified Nurse Aide classes at least twice per year and incorporate a Licensed Practical Nurse Program with the Hawaii Community College using HHH as one of several clinical sites. The nursing programs will assist with the staffing the health facilities and community health services in the North Hawaii area.

HHH was converted as a Critical Access Hospital on November 2005, which resulted in bed configuration changes and the provision of new Emergency Room (ER) and expanded ancillary services.

Services provided by HHH include:

- 4 Acute/SNF Swing Beds
- 46 Long Term Care (ICF/SNF) Beds
- Emergency Room Services, 24hours/7 days per week, on call within 30 minute
- Inpatient Physical Therapy
- Inpatient Occupational Therapy
- Inpatient Speech Therapy
- Inpatient Social Services
- Inpatient and Outpatient Laboratory services
- Inpatient and Outpatient X-Ray services
- Inpatient Dietary /Food Services
- Auxiliary and Community Volunteer Services

On October 16, 2006, the devastating earthquake with 6.7 magnitude hit the Big Island of Hawaii resulting in the total evacuation of HHH Hospital. The 49 patients were relocated to the renovated old Honokaa Hospital building (now called NHERC) for 5 days until HHH was able to accommodate residents again in dormitory style in the main dining room and Rehab Room. Patients were finally returned to their repaired rooms in January 2007. Other major repairs outside the patient occupied areas are still in process a year later (10/07) and will not be completed for another 6-8 months.

2003 FY:

Admissions	62
Patient Days	17,201

2004 FY:

Admissions	82
Patient Days	17,038

2005 FY

Admissions	96
Patient Days	16,988

2006 FY:

Admissions	115
Patient Days	17,478

2007 FY:

Admissions	72
Patient Days	16,735
ER Visits	1,081

2008 FY:

Admissions	84
Patient Days	17,240
ER Visits	1,184

COST SAVINGS AND REVENUE ENHANCEMENTS

- Critical Access Hospital conversion resulted in higher Medicare and Medicaid reimbursements
- Assisted to establish new North Hawaii Research & Education Center located in old Honokaa Hospital to be operated by University of Hawaii at Hilo
- Annual occupancy rate of 97% plus
- \$9.1 million secured in FY 2005 State Executive Budget to expand bed capacity by 50 beds (funds yet to be released)

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **29**

- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
9,096 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$2,500**

- FY2004 Number of Active Volunteers: **29**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
9,983 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$2,500**

- FY2005 Number of Active Volunteers: **38**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
12,000 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$4,000**

- FY2006 Number of Active Volunteers: **29**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
10,000 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$3,700**

- FY2007 Number of Active Volunteers: **28**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility:
9,000 volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$3,421**

- FY2008 Number of Active Volunteers: **21**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
3,678 volunteer hours

- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$1,482**

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit HHH = \$17,603

KA'U HOSPITAL

Ka'u Hospital, in Pahala, is a 21-bed facility with 16 long-term care beds and 5 acute beds with 51 employees (FTE, FY08). It also operates a 24 hour 7 day a week Emergency Department. Replacing the last sugar plantation hospital on the island, Ka'u Hospital was built in 1971 to serve the needs of a vast rural area. There are no other hospitals within a 55-mile radius in any direction. As of July 2001, Ka'u Hospital was designated as a CAH (Critical Access Hospital). This is a federal designation given to small hospitals that provide essential emergency and acute services in remote areas to assist them with the financial burdens associated with their size and isolation. Adding to the spectrum of services provided by Ka'u Hospital, a Medicare certified Rural Health Clinic was established on the hospital campus in September of 2003.

The people of Ka'u truly support their hospital. Their partnership of volunteerism and fundraising has enabled Ka'u Hospital to make many improvements in appearance, functionality and medical equipment that the hospital would be unable to fund on its own. It is a true community hospital where staff work toward being the very best they can be for the people of Ka'u. Demand for services, particularly emergency services and long-term care has been growing steadily. Long-term care beds have been 100 percent occupied for the past two fiscal years with some patients waitlisted in our acute beds.

Programs and Services

2003 FY

Admissions	32
ER Visits	1,437
Patient Days	6,068

2004 FY

Admissions	47
ER Visits	1,237
Patient Days	5,912

2005 FY

Admissions	85
ER Visits	1,364
Patient Days	5,925

2006 FY

Admissions	56
ER Visits	1,568
Patient Days	6,276

2007 FY

Admissions	34
ER Visits	2,079
Patient Days	6,888

2008 FY

Admissions	20
ER Visits	2,416
Patient Days	6,352

Services include:

- 24-hour Emergency Services
- Acute Care
- Intermediate and Skilled level care
- Adult Day Health Services Program
- Radiology - inpatient and outpatient
- Rehab Services – Physical, Occupational, and Speech Therapy
- Laboratory services
- Rural Health Clinic provides primary care including:

- Family Practice
- Internal Medicine
- Geriatric Medicine
- Outpatient laboratory and pharmacy services on campus

COST SAVINGS AND REVENUE ENHANCEMENTS

- Attained Critical Access Hospital (CAH) Status in July 2001
- Increased LTC/acute Beds from 15-21 total beds
- \$300K annual savings with Rural Health Clinic Implementation
- Community donations of time, labor and funds are enabling hospital to repaint and renovate all rooms in long-term care, and day activities room at no cost to the facility or the state.
- Community funds purchased two physiologic monitors for the emergency department in 2007 as well as helping with the purchase of a portable x-ray machine.

COMMUNITY- BASED FOUNDATION SUPPORT OF HHSC FACILITIES: FY2003 - 2008

Estimated Total Fundraising, Private Donations, Grant Funding:

- 2003 – na
- 2004: \$12,000
- 2005 - \$ 3,100
- 2006 - \$15,000
- 2007 - \$30,000
- 2008 - \$108,000

GRAND TOTAL 2003 - 2008 Foundation \$\$ to Benefit Ka`u = \$168,100

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **3**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
1,600 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$1,000**

- FY2004 Number of Active Volunteers: **17**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
1,500 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$7,074**

- FY2005 Number of Active Volunteers: **52**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
1,620 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$8,000**

- FY2006 Number of Active Volunteers: **10**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
1,810 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$20,050**

- FY2007 Number of Active Volunteers: **15**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility:
1,400 volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **Funds raised given to the Ka'u Charitable Foundation**

- FY2008 Number of Active Volunteers: **25**

- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
2,811 volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: Auxiliary joined Ka'u Charitable Foundation.

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit KH = \$36,124

East Hawaii Region Foundations Supporting HHSC Hospitals Background / Contact Information

Hilo Medical Center Foundation

Founded in 1995, the Foundation supports the healthcare of the community and its visitors by assisting Hilo Medical Center (HMC) through volunteerism, community education, and financial support. With no private hospitals in the East Hawaii region, HMC is truly a community institution with quality of facilities and services dependant upon both psychological and financial community support. We view our mission as attempting to enhance that support.

Foundation President: Monica Mallick

Foundation Administrator: Lori Rogers
lrogers@hhsc.org: 808- 935-2957

Contact information:
Hilo Medical Center Foundation
1190 Waianuenue Avenue, Box 629
Hilo, HI 96720
Tel: 808-935-2957 Fax: 808-974-4746

Ka'u Hospital Charitable Foundation

Ka'u Hospital Charitable Foundation was created to raise funds for the benefit of Ka'u Hospital in order to supplement the financial resources available to it through the hospital's own revenue (which comes from income, shared resources from other HHSC facilities, and any monies granted by the State.) Funds raised are used to enhance the quality of care provided by Ka'u Hospital through improvements in the facility, medical equipment, and training of staff.

Foundation President/Director: Marge Elwell

Foundation Vice President/Director: Israel Gorali

Contact information:

Ka`u Hospital Foundation

P.O. Box 773

Pahala, HI 96777

Tel: 808-928-2959 Fax: 808-928-8980

KAUAI REGION

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KAUAI REGION

WEST KAUAI MEDICAL CENTER

West Kauai Medical Center (WKMC) was formerly known as Kauai Veterans Memorial Hospital (KVMH) and was completed in October 1957 and dedicated to the Veterans of the Korean War. KVMH was built to meet the increasing medical needs for the people of the surrounding communities. Although this hospital still continues to honor the service and sacrifice of all our Veterans, the hospital has unofficially adopted a new name and today it is known as the West Kauai Medical Center (WKMC). WKMC has 45 licensed beds, including 25 acute and 20 long-term care beds. Today WKMC employs approximately 213 (FTE FY08) employees and provides the following services:

2003 FY

- Admissions 662
- Births 66
- ER Visits 3,537
- Patient Days 9,321

2004 FY

- Admissions 1,040
- Births 112
- ER Visits 3,997
- Patient Days 10,676

• 2005 FY

- Admissions 1,153
- Births 123
- ER Visits 4,854

- Patient Days 11,628

2006 FY

- Admissions 1,221
- Births 146
- ER Visits 4,728
- Patient Days 12,038

2007 FY

- Admissions 1,160
- Births 221
- ER Visits 4,334
- Patient Days 12,103

2008 FY

- Admissions 1,202
- Births 262
- ER Visits 5,937
- Patient Days 12,082

Patient services include:

- Critical Care
 - Orthopedic Surgeon on Staff
 - Full-time Radiologist
 - Radiology, CT Scan, Ultrasound, Mammography
 - Full-time radiologist
- High Risk Fetal Ultrasound Consultations with Kapiolani Medical Center
- Cardiac Ultrasound Consultations with Queens Medical Center

- Cardiac Care
- Physical Therapy
- Occupational Therapy
- Inpatient/Outpatient Surgery
 - Ophthalmology
 - GYN/OB
 - General Surgeries
 - Orthopedics
- Outpatient Surgery
- Surgery
- 24-Hour Emergency Care
- Pharmacy
- Respiratory Therapy
- OB/GYN Services
- Mother/Baby Care
- Medical Surgical/Pediatric Care
- Dietary Counseling
- CAP-approved Laboratory Services
- Skilled Nursing Care
- Intermediate Nursing Care
- Orthopedic Consulting Services
- CLIA-approved Laboratory Services
- Social Services
- KVMH Operates 3 Clinics
 - Waimea Clinic staffed with 6 KVMH physicians
 - Eleele Clinic staffed with 2 KVMH physicians and 1 nurse practitioner
 - Kalaheo Clinic staffed with 6 KVMH physicians

The Kawaiola Medical Office Building (MOB) was completed and dedicated November 1996. Kawaiola was the outcome of a collaborated Hospital and Community Strategic Plan for health care for the West Kauai communities. Ten Physicians and one Nurse Practitioner occupy the MOB. Five of the Physicians are WKMC doctors, and the other five are members of various professional groups that serve WKMC. Services presently being provided in the MOB are:

- Family Practice
- Internal Medicine
- General Surgery
- Neurology Consultations
- Teleradiology
- Hemodialysis (St. Francis)
- Radiology
- Retail Pharmacy
- Hospital Gift Shop
- Obstetrics and Gynecology
- Pediatrics
- Orthopedics
- The Kawaiola Medical Office Building also houses:
 - Cardiac and Dermatology Consultation Clinics
 - St. Francis Dialysis and Hemo-dialysis Services
 - MedCenter Retail Pharmacy
 - KVMH Radiology Satellite
 - KVMH Hospital Gift Shop
- Federally Qualified Health Clinic (Kauai Community Health Center) - Medical and Dental

COST SAVINGS AND ENHANCED REVENUES

- Established First Critical Access Hospital in Hawaii
- Added New 24-Hour Ultrasound Service
- Initiated Kauai Teleradiology Center

- Helped Facilitate Establishment of Kauai's First Federally-Qualified Health Center (via Collaborative Work with Hale Ho'ola and Hawaii Primary Care Association)
- Established Two New Community Clinics
- Expanded Outpatient Dialysis Service on West Kauai via Partnership with St. Francis.
- Expanded Obstetrics Service with over 100 babies born in FY04.

2005 HMSA Quality Award Recipient: West Kauai Medical Center was recognized in 2005 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year.

2005 JCAHO Certification: In 2005 the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) gave this hospital its highest rating with a 3 full-year accreditation.

**COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES:
FY2003-2008**

Estimated Total Private Donations received by the Foundation

- 2003 - \$1,650
- 2004 - \$1,800
- 2008 – 22,456

TOTAL - \$25,906

Estimated Total Fundraising Monies received by the Foundation

- 2003 - \$9,700
- 2004 - \$9,600
- 2008 – 16,470

TOTAL - \$35,770

Estimated Total Funding received by the Foundation from Federal/State/Private Grants

- 2003 - \$68,200

- 2004 - \$10,000
- 2008 – 22,000
- TOTAL - \$100,200

Estimated Total Fundraising / Private Donations / Grant Funding:

- 2003 – 79,550
- 2004 – 21,400
- 2005 - \$106,000
- 2006 - \$9,190
- 2007 - \$30,000
- 2008 – 60,926

TOTAL –307,066

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit WKMC= \$307,066

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **40**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
3,200 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$40,500**
- FY2004 Number of Active Volunteers: **40**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
3,200 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$38,100**
- FY2005 Number of Active Volunteers: **48**

- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
4,100 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$28,500**
- FY2006 Number of Active Volunteers: **50**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
4,250 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$31,900**
- FY2007 Number of Active Volunteers: **52**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility:
4,350 volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$3,700**
- FY2008 Number of Active Volunteers: 50
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
4,325 volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$10,100**

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit WKMC= \$152,800

SAMUEL MAHELONA MEMORIAL HOSPITAL (SMMH)

Samuel Mahelona Memorial Hospital (SMMH) is the oldest operating hospital on Kauai. Founded in 1917 as a tuberculosis (TB) hospital, it received its name from a member of the Wilcox family who died of TB as a young man. In the 1960's, with the cure from TB well established, SMMH gradually transitioned to providing acute psychiatric, skilled nursing, medical acute, TB, and ancillary

outpatient and inpatient services. SMMH has 80 licensed beds, 66 long-term care and 14 acute care.

This hospital currently employs 139 (FTE FY08) people and its services continue to develop to meet the changing needs of the community. In the past year, an Emergency Department was opened to provide services to Kauai's east and north shore communities. Currently, patient services include:

2003 FY

Admissions	219
Patient Days	25,066

2004 FY

Admissions	210
Patient Days	25,991

2005 FY

Admissions	194
Patient days	26,686

2006 FY

Admissions	175
Patient days	25,180

2007 FY

Admissions	211
Patient days	23,765

2008 FY

Admissions	217
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Patient days	24,696
ER Visits	4,778

Established CAH FY2006

- Emergency Services – 24-hour mid-level emergency services staffed by Board Certified ER physicians and ER nurses.
- 5 Acute / SNF Beds

Outpatient Services

- Laboratory
- Physical Therapy
- Radiology
- Occupational Therapy

Psychiatric Services (9 Acute Beds; Locked unit)

- Adult Inpatient Psychiatric Care
- Detoxification

Long-Term Care (66 SNF/ICF Beds)

- Skilled Nursing Beds
- Intermediate Care Beds

Tuberculosis Services (6 Acute/SNF Beds)

- Clinic (in cooperation with the Department of Health)
- Negative pressure rooms available for patients requiring hospitalization

Support for all Services

- Inpatient Pharmacy
- Social Services
- Occupational Therapy
- Recreational Therapy
- Speech Therapy
- Physical Therapy

- Dietitian

COST SAVINGS AND ENHANCED REVENUES

- Established Collaborative Relationship with State Adult Mental Health Program to Allow Admission of Forensic Patients to SMMH Psych Unit
- Teleradiology Spoke
- Helped Facilitate Establishment of Kauai's Second Federally Qualified Health Center on the Mahelona Medical Center campus
- Attained Critical Access Hospital (CAH) designation in 2005 which will provide significantly enhanced revenues for the hospital, via cost-based reimbursement

2005 HMSA Quality Award Recipient: Samuel Mahelona Memorial Hospital was recognized in 2005 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year.

COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES: FY 2003-2008

Estimated Total Private Donations received by the Foundation

- 2003 - \$1,800
- 2004 - \$9,000
- 2008 - 3,300

TOTAL - \$14,100

Estimated Total Fundraising Monies received by the Foundation

- 2003 - \$1,875
- 2004 - \$500
- 2008 - 2,500

TOTAL - \$4,875

Estimated Total Funding received by the Foundation from Federal/State/Private Grants

- 2003 - \$ -0-
- 2004 - \$500
- 2005 – na
- 2006 - \$5,350
- 2008 - -0-
- TOTAL - \$5,850

Estimated Total Donations, Fundraising, Federal/State/Private Grants,
received by the Foundation

- 2003 – 3,675
- 2004 – 10,000
- 2005 – na
- 2006 – 5,350
- 2007 - \$7,715
- 2008 – 5,800
- TOTAL – 32,540

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit SMMH = \$32,540

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **58**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
7,500 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$16,650**
- FY2004 Number of Active Volunteers: **58**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
7,500 volunteer hours

- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$17,150**

- FY2005 Number of Active Volunteers: **55**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
4,000 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$17,500**

- FY2006 Number of Active Volunteers: **165**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
6,750 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$10,325**

- FY2007 Number of Active Volunteers: **120**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility:
6,280 volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions (Thrift Shop/Fundraising/Donations/Grant donations) to the Facility: **\$98,415**

- FY2008 Number of Active Volunteers: **100**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
6,250 volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$14,500**

GRAND TOTAL 2003-2008 AUXILIARY \$\$ TO BENEFIT SMMH = \$174,540

Kauai Region Foundations Supporting HHSC Hospitals

Background / Contact Information

Kauai Veterans Memorial Hospital (KVMH) Foundation

This foundation was formed in the fall of 1998. The board consists of 10 community members and 3 employees of the Kauai Veterans Memorial Hospital.

The foundation's main focus is to support the many services, equipment purchases, and programs the West Kauai Medical Center/KVMH provides for its community and the people of Kauai.

Foundation President: Doug Tiffany

Foundation Vice President/Treasurer: Eric Honma

Contact information:

KVMH Foundation
Kauai Veterans Memorial Hospital
4643 Waimea Canyon Road
Waimea, Kauai, HI 96796
TEL: 808-338-9431 FAX: 808-338-9420

Samuel Mahelona Memorial Hospital (SMMH) Foundation

This foundation was formed in the spring of 1999. It is managed by eleven board members consisting of eight community members, two employees of SMMH, and one resident of SMMH.

As a Foundation, we are committed to bringing the best healthcare possible to our community through our efforts of raising money from various projects, grants, endowments and community support. To accomplish this, we must go into the community and listen to their health concerns and needs and speak the message of SMMH to them; thus forming a bond of trust, integrity and partnership.

Foundation President: Dave Goller

Foundation Vice-President: Herman Paleka
Secretary-Treasurer: Sharyl Lam Yuen

Contact information:

SMMH Foundation
Samuel Mahelona Memorial Hospital
4800 Kawaihau Road
Kapaa, Kauai, HI 96746
Tel: 808-822-4961 Fax: 808-822-5781

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MAUI REGION

MAUI MEMORIAL MEDICAL CENTER (MMMC)

Maui Memorial Medical Center (MMMC) is licensed for 190 (acute and LTC) beds and now has nearly 1,174 (FTE FY08) employees. In fiscal year 2008, there were 10,520 admissions, a total of 56,300 patient days; and 1,878 births.

- Date MMMC was established – opened in 1884 as “Malulani” by Queen Kapiolani. In 1927, the County of Maui assumed financial responsibility for Malulani Hospital. In 1952, a new 140-bed Central Maui Memorial Hospital was opened. In 1966, operations were transferred to the State of Hawaii. In 1996, HHSC took over the administration of MMMC.

MMMC patient services include:

2003 FY:

Admissions	10,791
Births	1,656
ER Visits	19,588
Patient Days	58,500

2004 FY:

Admissions	11,025
Births	1,666
ER Visits	21,090
Patient Days	56,353

2005 FY:

Admissions	11,172
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Births	1,672
ER Visits	22,732
Patient Days	53,353

2006 FY:

Admissions	11,282
Births	1,649
ER Visits	24,346
Patient Days	55,992

2007 FY:

Admissions	10,521
Births	1,835
ER Visits	26,686
Patient Days	54,101

2008 FY:

Admissions	10,520
Births	1,878
ER Visits	34,542
Patient Days	56,300

Services include:

- Radiology, CT Scan, MRI, Ultrasound, Nuclear Medicine, Thallium Stress Treadmills, General Angiography and Interventional Procedures, Cardioversion, Ablations, EP Studies, Cardiac Catheterization, Pacemakers, ERCP, Stereotactic Mammography

- Cardiac and Intensive Care Unit, Progressive Care Unit
- Psychiatric Care – /Adult
- Physical, Occupational, and Recreational Therapy
- Outpatient Surgery
- Acute Inpatient Dialysis
- Surgery & Post-Anesthesia Care Unit
- Obstetrics/Gynecology with childbirth education classes
- Cancer Center (medical oncology, radiation oncology)
- 24-Hour Emergency Care, Urgent Care
- Pharmacy
- Respiratory Therapy
- Pediatrics
- Telemetry
- EEG
- Laboratory – 24-hour services
- Echocardiography, Transesophageal echos, Treadmill stress tests
- Neurosurgery
- Endoscopy
- Nutrition Services
- General Med/Surg
- Outpatient Observation Unit
- Wound/Ostomy
- Skilled Nursing Unit

COST SAVINGS AND ENHANCED REVENUES

- Magnetic Resonance Imaging Replacement
- New Computerized Tomography Scanner
- New Monitoring Systems
- New Neurosurgery Service
- SonoSite Titan Portable Ultrasound

- Medical Imaging for Surgery (Electromagnetic Surgical Navigation)
- New Cardio-Vascular Center
- Started \$42M Hospital expansion and renovation

2005 HMSA Quality Award Recipient: Maui Memorial Medical Center was recognized in 2005 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year.

2005 JCAHO Certification: In 2005 the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) gave this hospital its highest rating with a 3 full-year accreditation.

COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES:
2003-2008

Estimated Total Private Donations received by the Foundation

- 2003- \$361,718
- 2004 - \$474,652 (includes \$175K from sale of donated property)
- TOTAL - \$836,370

Estimated Total Fundraising Monies received by the Foundation

- 2003 - \$54,000
- 2004 - \$111,000
- TOTAL - \$165,000

Estimated Total Funding received by the Foundation from Private Grants Only

- 2003 - \$174,800
- 2004 - \$316,657
- TOTAL - \$491,457

Estimated Total Fundraising / Private Donations / Grant Funding:

- 2005 - \$900,000
- 2006 - \$900,000
- 2007 - \$320,000

- 2008 - \$711,767
- **TOTAL – \$2,831,767**

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit MMMC= \$4,324,594

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **60**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
12,500 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$44,257**

- FY2004 Number of Active Volunteers: **60**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
12,000 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$17,473**

- FY2005 Number of Active Volunteers: **55**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
10,000 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$71,000**

- FY2006 Number of Active Volunteers: **59**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
12,000 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$9,300**

- FY2007 Number of Active Volunteers: **66**

- FY2007 Number of Volunteer Hours Provided to the HHSC Facility: **13,210 volunteer hours**
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$13,218**
- FY2008 Number of Active Volunteers: **60**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility: **11,661 volunteer hours**
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$18,107**

GRAND TOTAL 2002-2008 Auxiliary \$\$ to Benefit MMMC= \$173,355

KULA HOSPITAL

Kula Hospital began operations in 1909 as a tuberculosis facility. In 1936, Kula Sanatorium, with 200 beds for tuberculosis (TB) patients, became an addition to the hospital. By the 1960's, it began offering psychiatric care. Kula evolved into a long-term care facility during the early 1970's.

Kula Hospital has 113 licensed beds (5 acute/SNF swing care and 108 SNF/ICF) and employs 189 (FTE FY08) employees. Its patient services include:

- Limited Acute Care
- Inpatient Skilled Nursing and Intermediate Care
- Developmentally Disabled Inpatient Services (ICF-MR)
- Alzheimer's and Dementia Care
- Family Practice Clinic Services
- Pharmacy
- Physical, Occupational Therapy
- Laboratory & X-Ray Services
- Outpatient Clinic

COST SAVINGS AND ENHANCED REVENUES

- Increased Admissions from 25/year to 150/year
- Increased Skilled Nursing Days from 900 patient days/year to 6,000+patient days/year
- Attained Critical Access Hospital (CAH) designation in 2005 which will provide significantly enhanced revenues for the hospital, via cost-based reimbursement

2003 FY:

Admissions	211
Patient Days	38,849

2004 FY:

Admissions	172
Patient Days	37,725

2005 FY:

Admissions	98
Patient Days	37,401

2006 FY:

Admissions	93
Patient Days	38,200

2007 FY:

Admissions	72
Patient Days	38,158

2008 FY:

Admissions	131
Patient Days	38,571
ER Visits	1,813

VOLUNTEER SERVICES FY2002 – FY2008

- FY2002 Number of Active Volunteers: **56**
- FY2002 Number of Volunteer Hours Provided to the HHSC Facility:
6,850 volunteer hours
- FY2002 Volunteer Auxiliary Cash Contributions to the Facility: **\$26,500**

- FY2003 Number of Active Volunteers: **88**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
4,108 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$17,600**

- FY2004 Number of Active Volunteers: **27**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
6,100 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$16,000**

- FY2005 Number of Active Volunteers: **27**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
8,000 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$25,000**

- FY2006 Number of Active Volunteers: **32**

- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
7,500 **volunteer hours**
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$26,200**
- FY2007 NA
- FY2008 Number of Active Volunteers: **50**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
6,000 **volunteer hours**
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$30,000**

GRAND TOTAL 2002-2008 Auxiliary \$\$ to Benefit the Facility= \$141,300

LANAI COMMUNITY HOSPITAL (LCH)

Lanai Community Hospital (LCH) is the only hospital on the island of Lanai. It was originally built in 1927. The facility's new physical plant was built in 1968 with funding from community donations, Dole Company, State of Hawaii grant, and Hill-Burton Federal funds. The hospital offers acute and long-term care. Lanai Community Hospital has 14 licensed acute care (4) and long-term care (10) beds (duo certification for SNF/ICF).

LCH has 34 (FTE FY08) employees. Annually, LCH averages about 38 admissions, with over 3,200 patient days; and more than 800 Emergency Room visits.

2003 FY:

Admissions	43
Patient Days	3,661
Births	3
ER Visits	506

2004 FY:

Admissions	38
Patient Days	3,551
Births	0
ER Visits	822

2005 FY:

Admissions	21
Patient Days	3,236
Births	0
ER Visits	793

2006 FY:

Admissions	38
Patient Days	2,990
Births	2
ER Visits	894

2007 FY:

Admissions	47
Patient Days	2,469
Births	2
ER Visits	984

2008 FY:

Admissions	40
Patient Days	3,510
Births	0

ER Visits

922

Patient Services include:

- 24-Hour Emergency Care
- Limited Laboratory & X-Ray Services
- Limited Acute Care
- Extended Care (long-term services)
- Hemo-dialysis Services on Lanai are now available.

COST SAVINGS AND ENHANCED REVENUES

- New Renal Dialysis Service
- Nurse Call System Replacement
- Attained Critical Access Hospital (CAH) status in July 2001.

2005 HMSA Quality Award Recipient: Lanai Community Hospital was recognized in 2005 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year.

VOLUNTEER SERVICES FY2002 – FY2008

- FY2002 Number of Active Volunteers: **54**
- FY2002 Number of Volunteer Hours Provided to the HHSC Facility:
1,715 volunteer hours
- FY2002 Volunteer Auxiliary Cash Contributions to the Facility: **\$500**
- FY2003 Number of Active Volunteers: **26**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
1,750 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$500**
- FY2004 Number of Active Volunteers: **26**

- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
1,750 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$500**
- FY2005 Number of Active Volunteers: **26**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
1,900 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$3,000**
- FY2006 Number of Active Volunteers: **26**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
1,900 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$2,500**
- FY2007 NA
- FY2008 Number of Active Volunteers: **1**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
118.30 volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$0**

GRAND TOTAL 2002-2008 Auxiliary \$\$ to Benefit the Facility= \$7,000

Maui Region Foundation Supporting HHSC Hospitals

Background / Contact Information

Maui Memorial Medical Center (MMMC) Foundation

This foundation was formed in 1996 and opened a foundation office in 1999. It is a support foundation with a nonprofit status to support the master plan for development, scholarship funding and the purchase of state-of-the-art equipment.

MMMC is Maui's acute care facility, serving everyone. It is here for the generations to follow. Your support will ensure a safe and healthy future for us all. MAHALO!

Foundation President:
Fran Peart Mitsumura

Foundation Executive Director:
Lani Correa (lcorrea@hhsc.org) 808-242-2632

Contact information:

Maui Foundation (www.MauiFoundation.org)
285 Mahalani Street, Suite 25
Wailuku, Maui, HI 96793
Tel: 808-242-2632 Fax: 808-242-2633

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OAHU REGION

MALUHIA

Maluhia operates 158 licensed beds and employs 216 (FTE, FY08) employees. In fiscal year 2008, there were 148 admissions. The total patient days were 56,833, and the facility occupancy rate was 98.5% in fiscal year 2008.

- Date Maluhia was established: 1923

Programs and Services

2003 FY:

Admissions	227
Patient Days	56,612

2004 FY:

Admissions	224
Patient Days	56,639

2005 FY:

Admissions	233
Patient Days	56,158

2006 FY:

Admissions	205
Patient Days	55,623

2007 FY:

Admissions	148
Patient Days	56,648

2008 FY:

Admissions	148
Patient Days	56,833

The following are the programs and types of services offered at Maluhia:

Long-Term Care Inpatient Services

- Skilled Nursing and Intermediate Care Beds
- Adult Day Health Services
- Home Care Services
- Primary Care Clinic

Support

- Dietary
- Social Services
- X-Ray
- Speech Therapy
- Occupational Therapy
- Physical Therapy
- Recreational Therapy

COST SAVINGS AND ENHANCED REVENUES

- Basement Expansion & Interior Improvements
- Transitioning PACE to Adult Day Health, Home Care, & Physician Services

VOLUNTEER SERVICES FY2003 - FY2008

- FY2003 Number of Active Volunteers: **102**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
16,000 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$40,700**

- FY2004 Number of Active Volunteers: **102**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
16,000 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility:
\$38,000

- FY2005 Number of Active Volunteers: **90**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
16,000 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$19,200**

- FY2006 Number of Active Volunteers: **55**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
8,900 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$9,060**

- FY2007 Number of Active Volunteers: **59**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility:
1,150 volunteer hours
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$4,441**

- FY2008 Number of Active Volunteers: **68**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility:
8,359 volunteer hours

- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: **\$7,360**

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit Maluhia = \$118,761

LEAHI

Leahi Hospital operates 190 beds and employs 287 (FTE) employees. In fiscal year 2008, there were 11 acute (TB) as well as 142 LTC admissions. The total patient days were 161 acute days and 64,332 days. The facility LTC occupancy rate is steadily at 98%.

- Date Leahi was established: 1902

Programs and Services

2003 FY:

Admissions	116
Patient Days	65,063

2004 FY:

Admissions	205
Patient Days	64,193

2005 FY:

Admissions	146
Patient Days	64,660

2006 FY:

Admissions	170
Patient Days	64,168

2007 FY:

Admissions	155
Patient Days	64,577

2008 FY:

Admissions	153
Patient Days	64,493

TB Services

- 9 Acute TB Inpatient Beds
- Outpatient Services (TB patients are discharged to the Lanakila TB clinic for follow-up)

Leahi Geriatrics Outpatient Clinic

- Collaboration with UH School of Medicine, Geriatrics Medicine Division to provide outpatient geriatric consultation and medical services

Long-Term Care Inpatient Services

- 179 Dual Certified SNF/ICF Beds

Outpatient Services

- Adult Day Health Center

Support for all Services

- Pharmacy
- Recreational Therapy
- Dietary Services
- Social Services
- Speech Therapy
- Laboratory
- Occupational Therapy

- Physical Therapy
- X-Ray

COST SAVINGS AND ENHANCED REVENUES

- Adult Day Care Health Service Expansion
- Developed IV Therapy Program

COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES: FY 2003-2008

Estimated Total Private Donations received by the Foundation

- 2003 - Foundation not established until 2004
- 2004 - \$ 8,627

TOTAL - \$8,627

Estimated Total Fundraising Monies received by the Foundation

- 2003 - Foundation not established until 2004
- 2004 - \$ 8,627

TOTAL - \$ 8,627

Estimated Total Funding received by the Foundation from Federal/State/Private Grants

- 2003 - Foundation not established until 2004
- 2004 - \$ 8,627
- 2005 - \$ 64,641
- 2006 - \$17,350 (Leahi/Maluhia)
- 2007 - \$10,955 (Leahi/Maluhia)

TOTAL - \$101,573

Estimated Total donations, Fundraising, Federal/State/Private Grants, received by the Foundation

- 2003 – Foundation not established until 2004
- 2004 – 25,881
- 2005 – 64,641
- 2006 - 17,350
- 2007 - 10,955
- 2008 - 26,041

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit Leahi/Maluhia = \$144,868

VOLUNTEER SERVICES FY2003 - FY2008

- FY2003 Number of Active Volunteers: **60**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility: **8,640 volunteer hours**
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$20,548**

- FY2004 Number of Active Volunteers: **78**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility: **9,169 volunteer hours**
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$ 37,981**

- FY2005 **70** Active Individual Volunteers and **196** Regular and Occasional Group Volunteers.
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility: **10,203 volunteer hours**
- FY 2005 Volunteer Auxiliary Cash/Equipment Contributions to the Facility: **\$ 49,263**

- FY2006 **59** Active Individual Volunteers and **343** Group Volunteers.
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility: **7,499 volunteer hours**
- FY 2006 Volunteer Auxiliary Cash/Equipment Contributions to the Facility: **\$ 24,000**

- FY2007 **72** Active Individual Volunteers and **343** Group Volunteers.
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility: **10,821 volunteer hours**
- FY 2007 Volunteer Auxiliary Cash/Equipment Contributions to the Facility: **\$14,144.00**
- FY2008 **103** Active Individual Volunteers and Group Volunteers.
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility: **10,574 volunteer hours**
- FY 2008 Volunteer Auxiliary Cash/Equipment Contributions to the Facility: **\$10,600**

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit Leahi = \$156,536

<p>Oahu Region Foundation Supporting HHSC Hospitals Background /Contact Information</p>

Leahi & Maluhia Foundation

This foundation was established in 2003, to support the work of Leahi Hospital and Maluhia Long Term Care Center in their mission, development, and provision of quality health and long term care.

Foundation President: Jay Duquette
jayd@hhsc.org

Foundation Program Administrator: Lydia Chock
lchock@hhsc.org

Contact Information:
Leahi-Maluhia Foundation
Maluhia, 1027 Hala Drive, Honolulu 96817
Tele: 808-832-6149 Fax: 808-832-3039

WEST HAWAII REGION

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WEST HAWAII REGION

KOHALA HOSPITAL

Kohala Hospital, located in the rural town of Kapaau (North Kohala), opened its doors to patients on April 1, 1917. At that time, it was a 14-bed facility. Miss Mina Robinson, a medical, surgical and maternity nurse, arrived from Australia to "take charge" of the hospital. The cost of hospitalization at that time was \$1.50 per day. In 1962, Kohala Hospital was relocated into a new lava rock and hollow tile structure consisting of 26 inpatient beds providing both long-term and short-term acute care. Today, Kohala Hospital employs 55 employees (FTE FY08), has 28 licensed beds (4 acute and 24 long-term care), and provides the following services:

Critical Access Hospital (CAH)

- 24-Hour Emergency Care
- Inpatient and Outpatient Clinical Laboratory and X-Ray Services
- Medical Acute and Skilled Nursing Inpatient Care
- Long-Term Care (Skilled Nursing and Intermediate Care)

2003 FY:

- Admissions: 55
- Patient Days: 8,343
- ER Visits: 952

2004 FY:

- Number of Admissions: 57
- Patient Days: 8,707
- ER Visits: 972

2005 FY:

- Number of Admissions: 63
- Patient Days: 9,616
- Emergency Visits: 923

2006 FY:

- Number of Admissions: 55
- Patient Days: 9,715
- Emergency Visits: 1,130

2007 FY:

- Number of Admissions: 53
- Patient Days: 9,249
- Emergency Visits: 1,384

2008 FY:

- Number of Admissions: 54
- Patient Days: 9,180
- Emergency Visits: 1,583

COST SAVINGS AND ENHANCED REVENUES

- Attained Critical Access Hospital status in July 2001
- Implemented Teleradiology Service
- Increased Licensed LTC Beds from 22 to 24
- Completed Replacement of Facility Roof
- Upgrade of Electrical System
- Installation of Sprinkler System throughout Hospital
- Expansion of Outpatient Rehabilitation Service

COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES:

FY 2003 - 2008

Estimated Total Private Donations received by the Foundation

- 2003 - \$9,082
- 2004 - \$31,300
- TOTAL - \$40,382

Estimated Total Fundraising Monies received by the Foundation

- 2003 - \$11,500
- 2004 - \$14,900
- TOTAL - \$26,400

Estimated Total Funding received by the Foundation from Federal/State/Private Grants

- 2003 - \$-0-
- 2004 - \$3,000
- 2005 - na
- 2006 - \$52,000

TOTAL - \$55,000

Estimated Total Funding received by the Foundation from Donations, Fundraising, Federal/State/Private Grants

- 2007- \$35,000
- 2008 - \$108,726

TOTAL - \$143,726

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit Kohala Hospital= \$265,508

VOLUNTEER SERVICES FY2002 – FY2008

- FY2002 Number of Active Volunteers: **21**
- FY2002 Number of Volunteer Hours Provided to the HHSC Facility:
1,700 volunteer hours
- FY2002 Volunteer Auxiliary Cash Contributions to the Facility: **\$4,385**

- FY2003 Number of Active Volunteers: **21**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
1,700 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$8,380**

- FY2004 Number of Active Volunteers: **22**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
1,900 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$23,013**

- FY2005 Number of Active Volunteers: **20**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
2,415 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$22,000**

- FY2006 Number of Active Volunteers: **20**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
3,500 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$8,900**

- FY2007 – NA

- FY2008 Number of Active Volunteers: na

- FY2008 Number of Volunteer Hours Provided to the HHSC Facility: na
volunteer hours
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the Facility: \$ na

GRAND TOTAL 2002-2006 Auxiliary \$\$ to Benefit the Facility= \$66,678

KONA COMMUNITY HOSPITAL

Kona Community Hospital (KCH), the primary health care facility serving West Hawaii, is a 94-bed full service medical center; 33 beds Medical Surgical acute; 34 beds Skilled Nursing/Long Term Care; 7 beds Obstetrics; 11 beds behavioral health unit; and, a 9 bed intensive care unit. It is located in Kealahou, Kona, and 18 miles south of Kona International Airport. The hospital has expanded considerably from its initial wooden structure with 52 beds built in 1941. It is currently housed in a three-story structure constructed in 1975.

This facility employs 438 (FTE FY08) employees. There are 61 active medical staff members representing a wide variety of medical specialties. Patient services include:

2003 FY:

Admissions	3,537
Births	480
ER Visits	11,719
Patient Days	26,171

2004 FY:

Admissions	3,634
Births	508
ER Visits	12,180
Patient Days	24,224

2005 FY:

Admissions	3,622
Births	446
ER Visits	13,182
Patient Days	24,357

2006 FY:

Admissions	3,745
Births	504
ER Visits	14,367
Patient Days	24,830

2007 FY:

Admissions	3,375
Births	558
Patient Days	25,212
Emergency Visits	15,950

2008 FY:

Admissions	3,944
Births	564
Patient Days	27,262
Emergency Visits	17,430

Services include:

- 24-hour Emergency Room

- Inpatient & Outpatient Surgery
- Long-Term Care / Skilled Nursing
- Acute Inpatient Care (Obstetrics/Gynecology, Medical/Surgical, Intensive Care, Behavioral Health, Skilled Nursing/Long Term Care)
- Outpatient Nursing Services (Chemotherapy)
- Rehabilitation Services (PT, OT, Respiratory Therapy, Speech Therapy)
- Pharmacy
- Laboratory and Pathology Services
- Imaging Center (MRI, 16-slice CT Scan, Ultrasound, Echocardiogram, Nuclear Medicine)
- Cardiology
- Radiation Therapy (April 2005)
- Physician Specialties (General Surgery, Internal Medicine, Cardiology, Medical Oncology, Radiation Oncology, Pediatrics, OB/GYN, Urology, ENT, Ophthalmology, Plastic Surgery, Orthopedics, Psychiatry, Gastroenterology)
- Current annual workload consists of over 3,000 acute inpatient admissions, over 500 births, and over 17,000 emergency room visits.

COST SAVINGS AND ENHANCED REVENUES

- Established Hospitalist Program
- Increased Total Licensed Beds from 75 to 94
- New Magnetic Resonance Imaging
- New Behavioral Health Unit
- New Chemotherapy Clinic
- New Computerized Tomography Scanner
- New Lithotripsy (HMC too)
- New Nuclear Medicine Service
- Added 4 New Labor & Delivery Beds

2005 HMSA Quality Award Recipient: Kona Community Hospital was recognized in 2005 by HMSA (Hawaii Medical Service Association) for its efforts to improve the quality of hospital care over the past year.

2005 JCAHO Certification: In 2005 the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) gave this hospital its highest rating with a 3 full-year accreditation.

COMMUNITY-BASED FOUNDATION SUPPORT OF HHSC FACILITIES: 2003-2008

Estimated Total Private Donations received by the Foundation

- 2003 - \$ 341,350
- 2004 - \$ 324,682
- TOTAL - \$666,032

Estimated Total Fundraising Monies received by the Foundation

- 2003 - \$160,615
- 2004 - \$183,052
- TOTAL - \$343,667

Estimated Total Funding received by the Foundation from Federal/State/Private Grants

- 2003 -\$214,713
- 2004 - \$ 75,000
- TOTAL - \$289,713

Estimated Total Fundraising / Private Donations / Grant Funding:

- 2005 - \$200,000
- 2006 - \$375,000
- 2007 - \$500,000
- 2008 - \$613,000

TOTAL – \$1,688,000

GRAND TOTAL 2003-2008 Foundation \$\$ to Benefit KCH = \$2,987,412

VOLUNTEER SERVICES FY2003 – FY2008

- FY2003 Number of Active Volunteers: **71**
- FY2003 Number of Volunteer Hours Provided to the HHSC Facility:
10,000 volunteer hours
- FY2003 Volunteer Auxiliary Cash Contributions to the Facility: **\$41,365**

- FY2004 Number of Active Volunteers: **71**
- FY2004 Number of Volunteer Hours Provided to the HHSC Facility:
10,120 volunteer hours
- FY2004 Volunteer Auxiliary Cash Contributions to the Facility: **\$45,565**

- FY2005 Number of Active Volunteers: **80**
- FY2005 Number of Volunteer Hours Provided to the HHSC Facility:
4,630 volunteer hours
- FY2005 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$20,200**

- FY2006 Number of Active Volunteers: **100**
- FY2006 Number of Volunteer Hours Provided to the HHSC Facility:
4,630 volunteer hours
- FY2006 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$2,500**

- FY2007 Number of Active Volunteers: **135**
- FY2007 Number of Volunteer Hours Provided to the HHSC Facility: **8,250
volunteer hours**
- FY2007 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$ 0**

- FY2008 Number of Active Volunteers: **na**
- FY2008 Number of Volunteer Hours Provided to the HHSC Facility: **na
volunteer hours**
- FY2008 Volunteer Auxiliary Cash / Equipment Contributions to the
Facility: **\$ na**

GRAND TOTAL 2003-2008 Auxiliary \$\$ to Benefit the Facility= \$109,630

West Hawaii Region Foundations Supporting HHSC Hospitals
Background / Contact Information

Kona Community Hospital Foundation

This foundation was established in 1984 for the purpose of providing means, equipment and facilities for the use by and benefit of Kona Community Hospital. Since its inception it has provided over a million dollars in equipment and facilities to the hospital. It is managed by a five-member board that is completely separate from the management of the hospital.

Well into the second decade of operation we are very proud of our participation in the modernization and future of Kona Community Hospital. Kona Hospital is a tremendous asset to our community and we enjoy providing support to its reinvention and growth. Your participation is most appreciated and does make a significant difference.

Foundation President:
James Higgins

Foundation Development Assistance and Administration:
Carol Mountcastle cmountcastle@hhsc.org 808-322-4587
Stephanie Kinsey skinsey@hhsc.org 808-322-4578

Contact information:

Kona Hospital Foundation
79-1019 Haukapila Street
Kealahou, HI 96750
Tel: 808-322-9311 Fax: 808-322-4488

Kohala Hospital Charitable Foundation

This foundation was established in 2003, to provide assistance to Kohala Hospital, its programs, facilities, staff and patients. It supports the hospital by purchasing equipment, renovating facilities, assisting in education and outreach programs, and aiding other hospital programs or activities.

Foundation President:
Tommy Tinker

Foundation Vice President:
Alan Axelrod

Contact information:
Kohala Hospital Charitable Foundation
P.O. Box 430
Kapaau, HI 96755
Tel: 808-889-7905

Nine Foundations Supporting HHSC Hospitals

During the years FY2003-2008 HHSC Foundations have collectively raised \$11,740,580 worth of funding for HHSC healthcare facilities through monies received from donations, fundraising activities and grants. A breakout of Foundation money raised for HHSC hospitals is provided in the sections related to each HHSC facility that has a Foundation.

Kauai Veterans Memorial Hospital (KVMH) Foundation

KVMH Foundation
Kauai Veterans Memorial Hospital
4643 Waimea Canyon Road, Waimea, Kauai, HI 96796
TEL: 808-338-9431 FAX: 808-338-9420

Samuel Mahelona Memorial Hospital (SMMH) Foundation

SMMH Foundation
Samuel Mahelona Memorial Hospital
4800 Kawaihau Road, Kapaa, Kauai, HI 96746
Tel: 808-822-4961 Fax: 808-822-5781

Maui Memorial Medical Center (MMMC) Foundation

MMMC Foundation (www.MauiFoundation.org)
285 Mahalani Street, Suite 25, Wailuku, Maui, HI 96793
Tel: 808-242-2632 Fax: 808-242-2633

Kona Community Hospital Foundation

KCH Foundation
79-1019 Haukapila Street, Kealahou, HI 96750
Tel: 808-322-9311 Fax: 808-322-4488

Hilo Medical Center Foundation

HMC Foundation
1190 Waianuenue Avenue, Box 629, Hilo, HI 96720
Tel: 808-935-2957 Fax: 808-974-4746

Kohala Hospital Charitable Foundation

Kohala Hospital Charitable Foundation
P. O. Box 430
Kapaau, HI 96755
Tel: 808-889-7905

Ka`u Hospital Charitable Foundation

Ka`u Hospital Foundation
Ka`u Hospital
1 Kamani Street
P.O. Box 40, Pahala, HI 96777
Tel: 808-928-2959 Fax: 808-928-8980

Leahi & Maluhia Foundation

Leahi-Maluhia Foundation
Maluhia
1027 Hala Drive, Honolulu, HI 96817
Tel: 808-832-6149 Fax: 808-832-3039

Hawaii Health Systems Foundation

Hawaii Health Systems Foundation
Hawaii Health Systems Corporation
3675 Kilauea Avenue, Honolulu, HI 96816
Tel: 808-733-4020 Fax: 808-733-4028

**HHSC Hospital Auxiliaries and
Community-Based Volunteer Programs
Supporting HHSC Community Hospitals
FY 2003 – FY 2008**

- During the years FY2003 – FY2008, HHSC healthcare facilities have benefited from the outstanding, dedicated service of community-based “Hospital Auxiliaries” comprised of more than 4,570 individual and group volunteers system-wide.
- These Volunteers have provided more than 560,725 hours of direct service to their respective HHSC community hospital. That is the equivalent of over 70,090 workdays.
- These Hospital Auxiliary volunteers have contributed through their work in the 12 HHSC healthcare facilities, and more than \$1,461,160 in cash and in-kind donations of supplies, equipment and services.



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

Revised 1-6-09

**Hawaii Health Systems Corporation, HHSC
Budget Briefing
Fiscal Biennium 2009 - 2011**

**PRESENTED TO THE
SENATE COMMITTEE ON WAYS AND MEANS
SENATOR DONNA MERCADO KIM, CHAIR
SENATOR SHAN S. TSUTSUI, VICE CHAIR**

**January 8, 2009, 9:00 AM
Conference Room #211
Hawaii State Capitol**

Thomas M. Driskill, Jr., President and Chief Executive Officer

Program I.D. and Title: HTH 210 – Hawaii Health Systems Corporation

Program I.D. and Title: HTH 211 – Kahuku Medical Center



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

Revised 1-6-09

**Hawaii Health Systems Corporation, HHSC
Budget Briefing
Fiscal Biennium 2009 - 2011**

**PRESENTED TO
THE HOUSE COMMITTEE ON FINANCE
REPRESENTATIVE MARCUS R. OSHIRO, CHAIR
REPRESENTATIVE MARILYN B. LEE, VICE CHAIR**

**January 8, 2009, 1:30 PM
Conference Room #308
Hawaii State Capitol**

Thomas M. Driskill, Jr., President and Chief Executive Officer

Program I.D. and Title: HTH 210 – Hawaii Health Systems Corporation

Program I.D. and Title: HTH 211 – Kahuku Medical Center

Narrative

HHSC operations are affected by national, state, and economic and fiscal conditions unique to HHSC in a complex of factors that bear on the corporation's capacity to optimize revenue and control costs. At the end of FY08 HHSC acknowledged that the current structure of HHSC and the escalating cost of healthcare had placed HHSC in a severe financial situation that would continue to worsen with no substantial changes forecast that would reverse the negative trends.

There are five primary reasons HHSC is losing money, the first four of which are shared by all hospitals in Hawaii:

1. No Disproportionate Share Hospital
2. Under-Reimbursement
3. Wait-List Problem
4. Physician Call Coverage and Recruitment Cost
5. Cost of Operating as a State Agency

Although HHSC was spared from the 4 percent reduction in general fund subsidy in the 2008 legislative session that applied to state agencies, an operating budget shortfall of \$62 million was still projected for FY09. In the 2008 legislative session, the Senate added \$5 million in additional general funds for HHSC, which would have provided a measure of relief. Ultimately, this increase was not included in the final budget that was passed, due to budgetary constraints the legislature faced. Governance and management at all levels of the HHSC system recognized that the amount of funds available to the State of Hawaii would not be sufficient to cover the minimum requirements for HHSC hospitals to continue to operate at current service and staffing levels through FY09. This projection prompted financial contingency plan development by management and governance of each region and the HHSC corporate office to operate within expected funding. The contingency plans anticipated that not all services currently provided could continue to be provided at same levels and operating tempos and that some important initiatives planned for FY 09 could not be pursued. Reductions in force were initiated at the corporate office (9 positions affected) and at Kona Community Hospital (56 positions affected).

The contingency plans being implemented by HHSC and the regions of HHSC will provide little or no relief from the very high accounts payable balances of several facilities that existed at the end of FY 08 (\$42.9 million system-wide total A/P) and have continued to exist through the first half of FY 09 (\$31.4 million system-wide total A/P as of December 22, 2008). HHSC regions have managed cash flow through the first half of FY 09 by drawing down and utilizing the majority of general funds appropriated for the full fiscal year. By the end of December 2008 all regions have requested release of all FY 09 general funds

subsidy. There will be no remaining general funds subsidy to cover cash flow shortfalls during the last few months of FY 09.

To enable facilities with highly aged accounts payable to pay vendors to assure the ability to continue operating the facilities, HHSC asked the governor to submit an FY 09 emergency appropriation request for \$29 million. For reasons involving the economy and the financial challenges all state departments and agencies are facing, the governor declined to submit the EA request. Because of this situation, several HHSC hospitals will start FY 2010 with very high accounts payable balances and the continuing concern that vendors will stop providing goods and services due to nonpayment, which would affect the ability of hospitals to continue providing services.

The administration excluded HHSC from the requirement to submit tiered mandatory reductions to baseline funding for the FY 2009-2011 biennium budget. Extraordinary actions were nonetheless required by HHSC regions to develop FY 2009-2011 budgets that are in line with funding advice provided by the Director of Finance.

This is the first biennium budget submission from HHSC after enactment of Act 290, passed in the 2007 legislative session. In accordance with Act 290 SLH 2007 regional system boards of HHSC shall exercise the power to prepare regional budgets. "The corporation board and any regional system boards shall collaboratively develop budgetary guidelines and annual operating budgets and capital budgets for each facility.....Two-year budgets will be approved for regional system boards, in alignment with State of Hawaii biennium budgeting. The corporate board shall not alter the two-year budget of a regional system except:

- (1) Where state general funding is reduced;
- (2) An emergency exists; or
- (3) There is a negotiated budget approved by a regional system board."

First attempts by the corporation and the regions to develop budgets for FY 2010 and FY 2011 based on funding guidance from the Director of Finance produced budgets with total negative cash flow for FY 2010 totaling approximately \$35 million and total negative cash flow for FY 2011 totaling approximately \$31.3 million.

Since regions could not come to agreement on distribution of FY 2010 and FY 2011 general funds subsidy, the HHSC President & CEO (PECO) made the decision on the distribution of general funds for the budget submissions. The decision by the PCEO on distribution of general funds was in accordance with budgeting policy subsequently established in coordination with the Policy Committee required by Act 290 and by the HHSC Corporate Board of Directors. Cash flow shortfalls for FY 2010, based on the initial budget submissions are indicated below:

HAWAII HEALTH SYSTEMS CORPORATION
CASH FLOW SURPLUS/(DEFICIT) BY
REGION
FISCAL YEAR 2010

FIRST, "REALISTIC" BUDGET SUBMISSIONS

	EAST	WEST				HHSC	
	HAWAII	HAWAII	MAUI	KAUAI	OAHU	CORP	TOTAL
Cash Collections	117,540	54,660	190,346	49,438	31,206	226	443,416
DHS Direct Payments to Hospitals	-	-	-	-	-	-	-
Payroll Cash Requirements	(96,048)	(41,316)	(135,624)	(42,562)	(34,218)	(7,332)	(357,100)
Non-Payroll Cash Requirements	<u>(50,684)</u>	<u>(24,888)</u>	<u>(88,152)</u>	<u>(18,079)</u>	<u>(6,649)</u>	<u>(1,437)</u>	<u>(189,889)</u>
Operating Cash Flow Deficit	<u>(29,192)</u>	<u>(11,544)</u>	<u>(33,430)</u>	<u>(11,203)</u>	<u>(9,661)</u>	<u>(8,543)</u>	<u>(103,573)</u>
Appropriations from State of Hawaii	24,481	11,223	27,256	8,785	10,395	320	82,460
Collective Bargaining Funding	-	-	-	-	-	-	-
Financing of Roselani Place	<u>(355)</u>	<u>(162)</u>	<u>(532)</u>	<u>(142)</u>	<u>(98)</u>	-	<u>(1,289)</u>
Noncapital Financing Cash Flow Surplus	<u>24,126</u>	<u>11,061</u>	<u>26,724</u>	<u>8,643</u>	<u>10,297</u>	<u>320</u>	<u>81,171</u>
Repayemnts on Capital Lease Obligations	<u>(3,545)</u>	<u>(2,493)</u>	<u>(4,881)</u>	<u>(1,137)</u>	<u>(244)</u>	<u>(320)</u>	<u>(12,620)</u>
Capital and Related Cash Flow Deficit	<u>(3,545)</u>	<u>(2,493)</u>	<u>(4,881)</u>	<u>(1,137)</u>	<u>(244)</u>	<u>(320)</u>	<u>(12,620)</u>
Allocation of Corporate Office Costs	<u>(2,353)</u>	<u>(1,079)</u>	<u>(3,524)</u>	<u>(938)</u>	<u>(649)</u>	<u>8,543</u>	-
Cash Flow Deficit by Region	<u>(10,964)</u>	<u>(4,055)</u>	<u>(15,111)</u>	<u>(4,635)</u>	<u>(257)</u>	<u>-</u>	<u>(35,022)</u>

After review of the initial budgets it was understood that, given the economic circumstances faced by the state, it was not reasonable to expect the state of Hawaii to provide \$35 million additional general funds subsidy to HHSC for FY 2010 and \$31.3 million additional general funds subsidy to HHSC for FY 2011. Accordingly, regions were asked to revise budgets for FY 2010 and FY 2011 that, based on same general funds distribution, that would eliminate the negative cash flow projections. Final HHSC and regional budgets submitted for the executive budget indicate minor negative cash flow, only in two regions. It should be noted that these budgets were developed prior to worsening economic forecasts that may indicate the cash revenues forecasted in these budgets will be less likely to occur. It should be noted these budgets do not include amount for paying down the very high accounts payable balances some HHSC facilities will start FY 2010 with.

**HAWAII HEALTH SYSTEMS CORPORATION
CASH FLOW SURPLUS/(DEFICIT) BY REGION
FISCAL YEAR 2010**

SECOND, FINAL BUDGET SUBMISSIONS

	EAST	WEST				HHSC	
	HAWAII	HAWAII	MAUI	KAUAI	OAHU	CORP	TOTAL
Cash Collections	118,668	57,984	190,346	52,075	31,206	226	450,505
DHS Direct Payments to Hospitals	-	-	-	-	-	-	-
Payroll Cash Requirements	(91,127)	(41,316)	(135,624)	(41,420)	(34,488)	(7,332)	(351,307)
Non-Payroll Cash Requirements	<u>(49,328)</u>	<u>(24,162)</u>	<u>(88,152)</u>	<u>(18,127)</u>	<u>(6,649)</u>	<u>(1,437)</u>	<u>(187,855)</u>
Operating Cash Flow Deficit	<u>(21,787)</u>	<u>(7,494)</u>	<u>(33,430)</u>	<u>(7,472)</u>	<u>(9,931)</u>	<u>(8,543)</u>	<u>(88,657)</u>
Appropriations from State of Hawaii	24,481	11,223	27,256	8,785	10,395	320	82,460
Collective Bargaining Funding	-	-	-	-	-	-	-

External Financing	3,562		- 15,600		-	-	19,162
Financing of Roselani Place	<u>(344)</u>	<u>(165)</u>	<u>(539)</u>	<u>(142)</u>	<u>(99)</u>	<u>-</u>	<u>(1,289)</u>
Noncapital Financing Cash Flow Surplus	<u>27,699</u>	<u>11,058</u>	<u>42,317</u>	<u>8,643</u>	<u>10,296</u>	<u>320</u>	<u>100,333</u>
Repayemnts on Capital Lease Obligations	<u>(3,543)</u>	<u>(2,491)</u>	<u>(4,876)</u>	<u>(1,148)</u>	<u>(243)</u>	<u>(320)</u>	<u>(12,621)</u>
Capital and Related Cash Flow Deficit	<u>(3,543)</u>	<u>(2,491)</u>	<u>(4,876)</u>	<u>(1,148)</u>	<u>(243)</u>	<u>(320)</u>	<u>(12,621)</u>
Allocation of Corporate Office Costs	<u>(2,281)</u>	<u>(1,092)</u>	<u>(3,566)</u>	<u>(943)</u>	<u>(661)</u>	<u>8,543</u>	<u>-</u>
Cash Flow Deficit by Region	<u>88</u>	<u>(19)</u>	<u>445</u>	<u>(920)</u>	<u>(539)</u>	<u>-</u>	<u>(945)</u>

Board members and executives of HHSC and the five HHSC regions are considering potential legislation for the 2009 legislative session to improve the ability of the HHSC regions and facilities to structure operations and manage financial performance to reduce operating losses and contain requirements for general fund subsidy from the state of Hawaii at current levels and, hopefully, to reduce requirements for general funds subsidy. We are requesting the legislature give full hearings and consideration to these measures when they may be submitted:

- Statutory changes to allow new organizational structures and personnel programs.
- Legislative approval to HHSC Regional Systems Board of Directors and/or the HHSC Corporate Board of Directors for reduction and/or elimination of Services
- Increase in health plan payments to Critical Access Hospitals and Federally Qualified Health Clinics.

Mission Statement

Our MISSION is:

Providing and enhancing accessible, comprehensive, health care "safety net" services that are quality-driven, customer-focused, and cost-effective

Our VISION is:

Be the provider of choice for the Pacific communities we serve; Employer of choice for our staff, and System of choice for our physicians

Our VALUES are:

- Integrity - Collaboration - Caring - Commitment - Innovation - Community

Organizational Charts

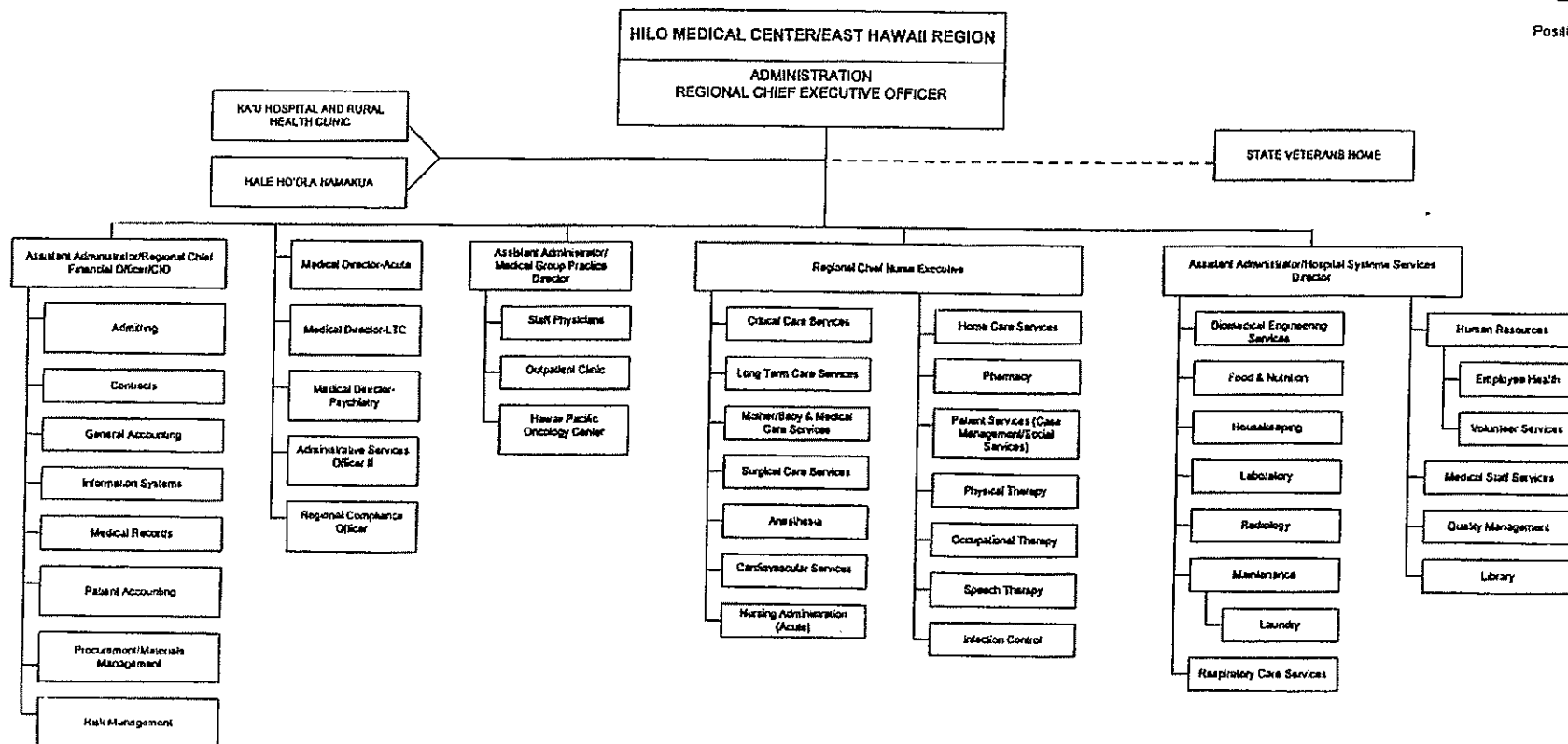
Please see Worksheet 1.

HHSC organizational charts include:

- East Hawaii Region – Hilo Medical Center, Hale Hoola Hamakua, Kau Hospital
- Kauai Region – Kauai Veterans Memorial Hospital (West Kauai Medical Center), Samuel Mahelona Memorial Hospital
- Maui region – Maui Memorial Medical Center, Kula Hospital, Lanai Community Hospital
- Oahu Region – Leahi Hospital, Maluhia
- West Hawaii Region – Kona Community Hospital, Kohala Hospital
- Corporate Office

Worksheet 1

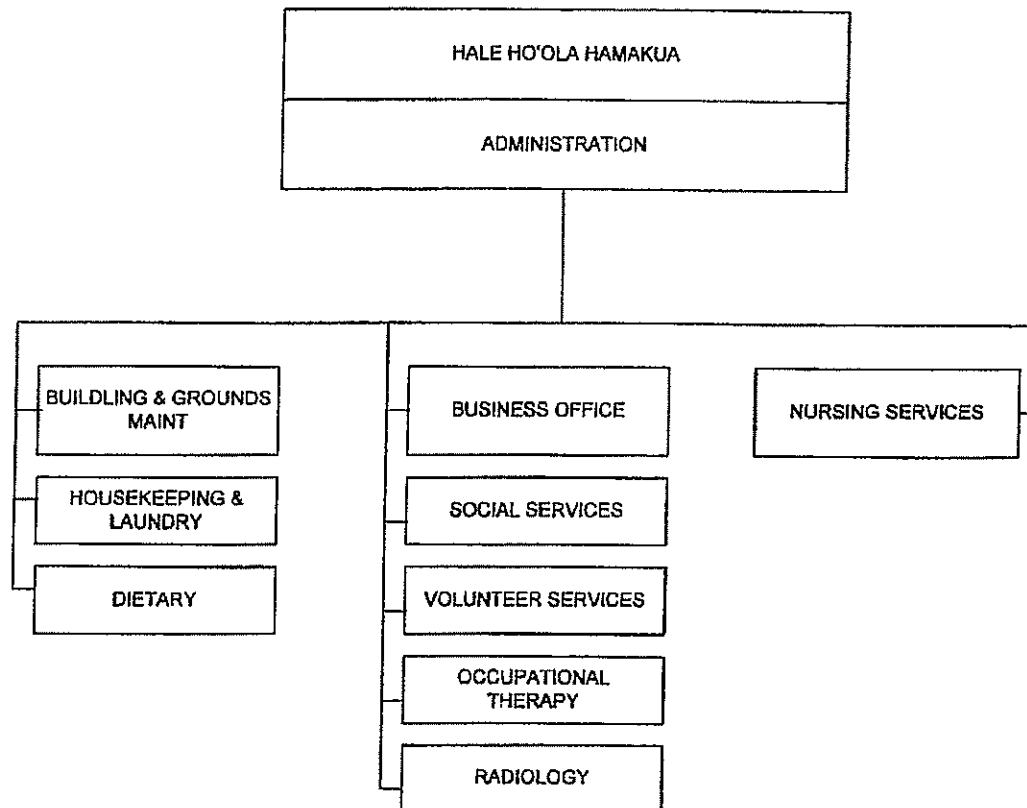
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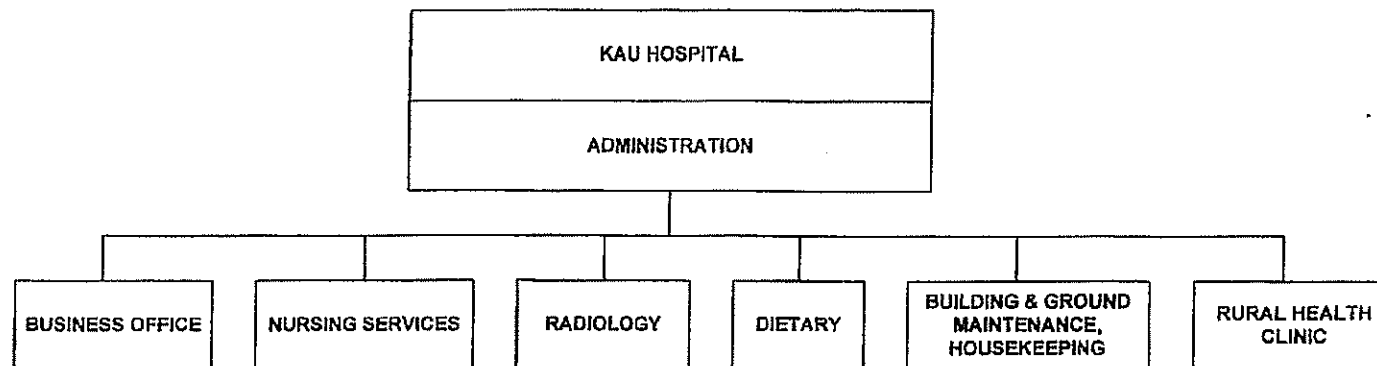
Updated: 10/07; 2/08; 8/08; 12/08

HHSC East Hawaii Region

Organization Chart

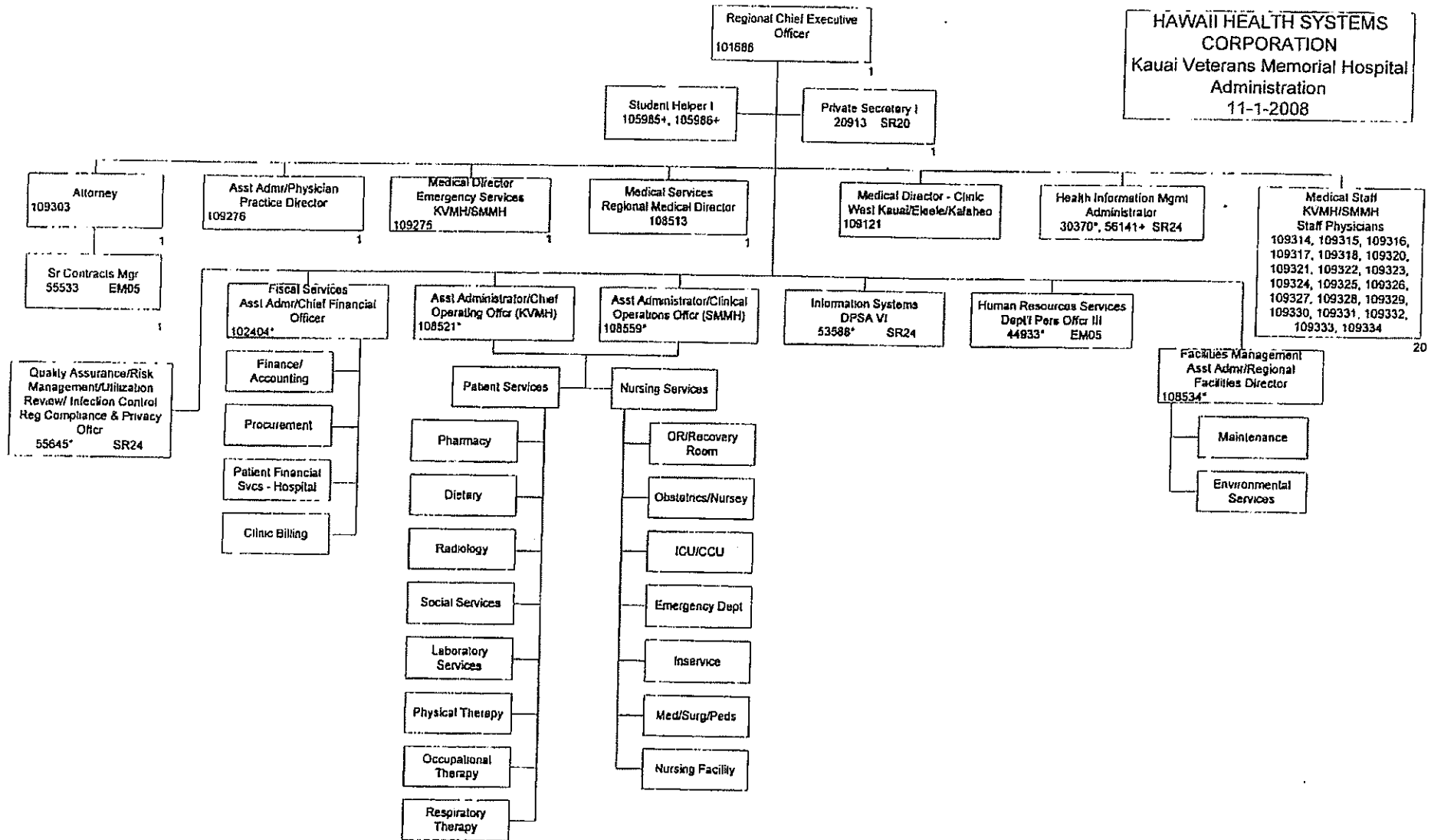


HHSC East Hawaii Region

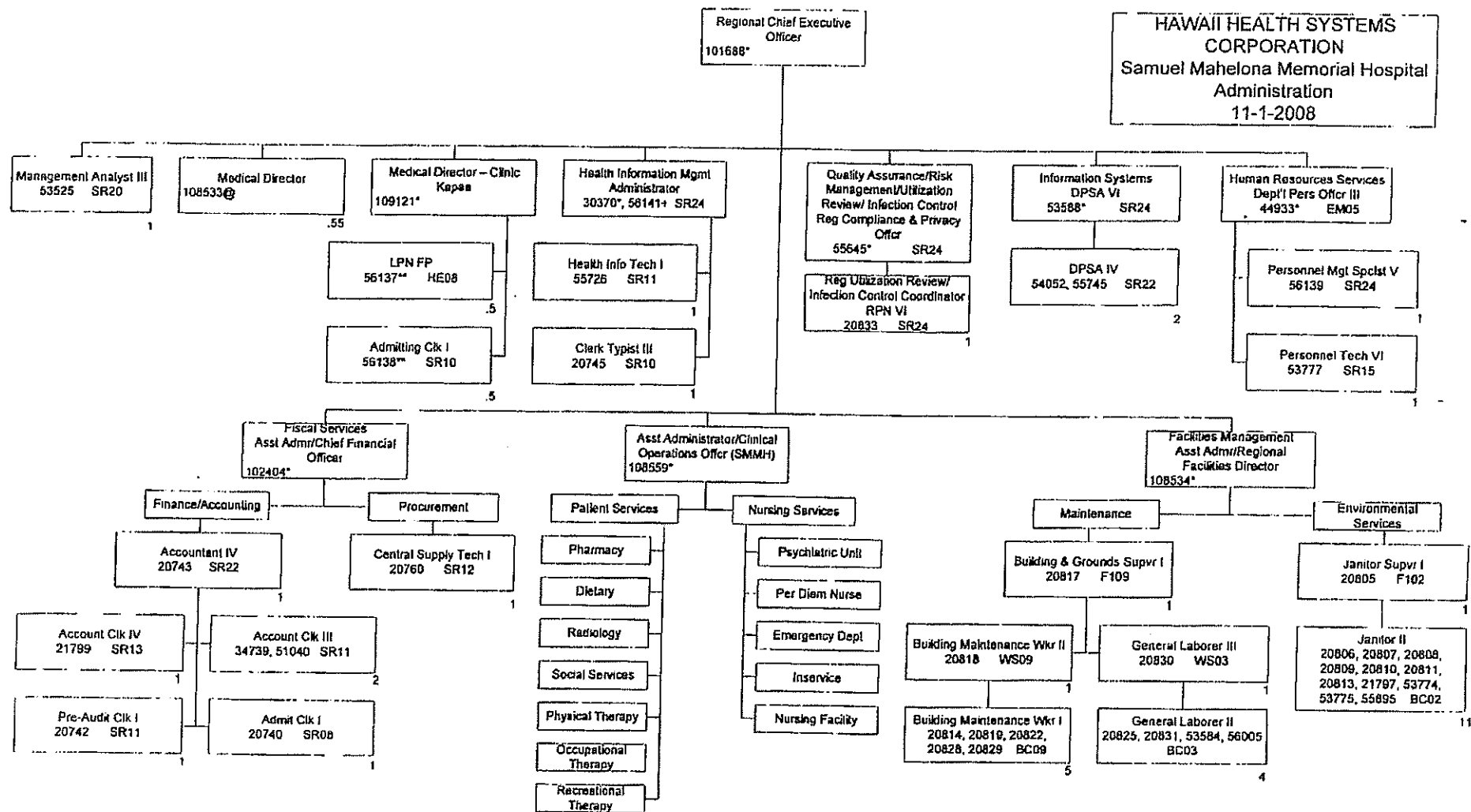


Updated: 10/07; 8/08; 12/08

HHSC Kauai Region

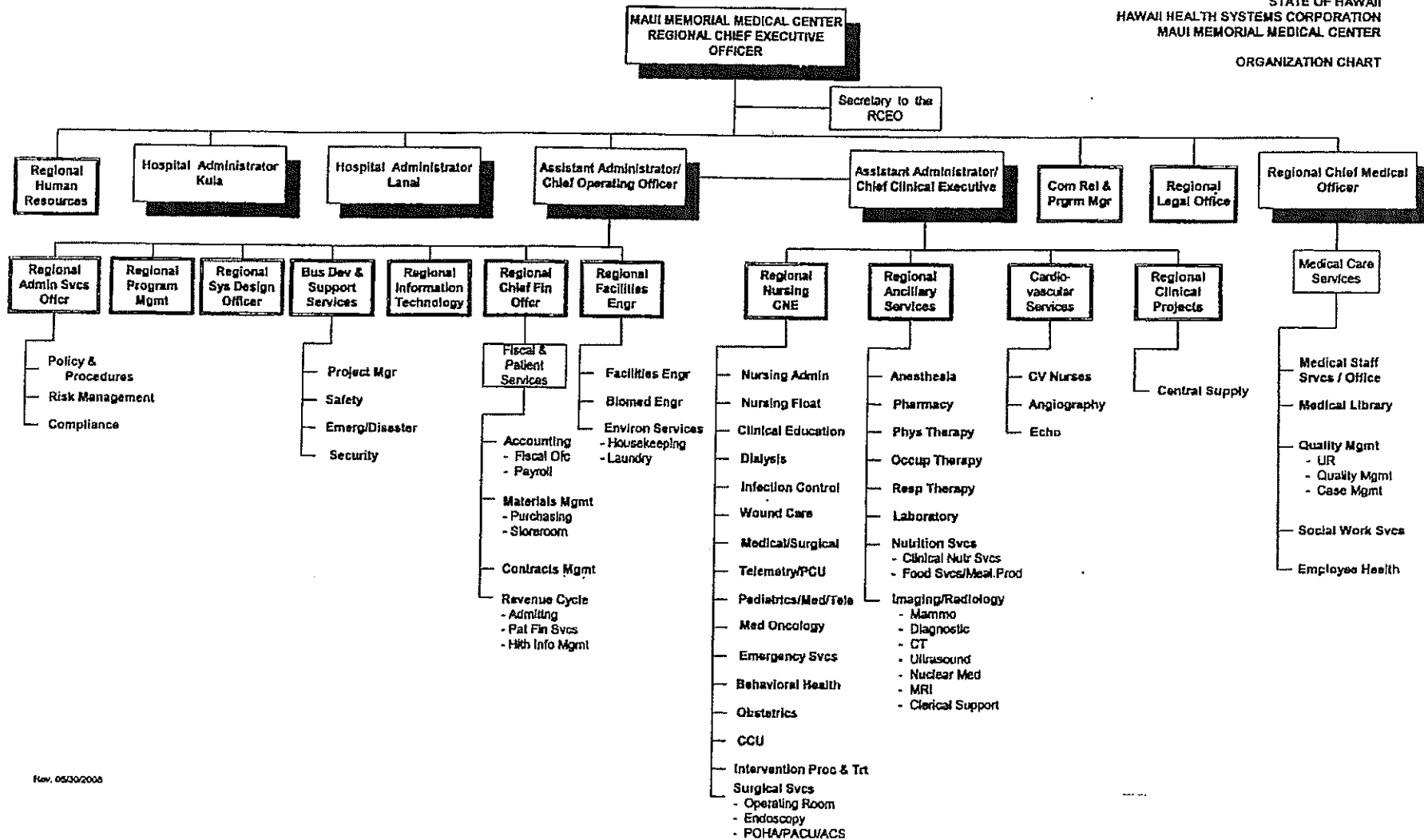


HHSC Kauai Region



HHSC Maui Region

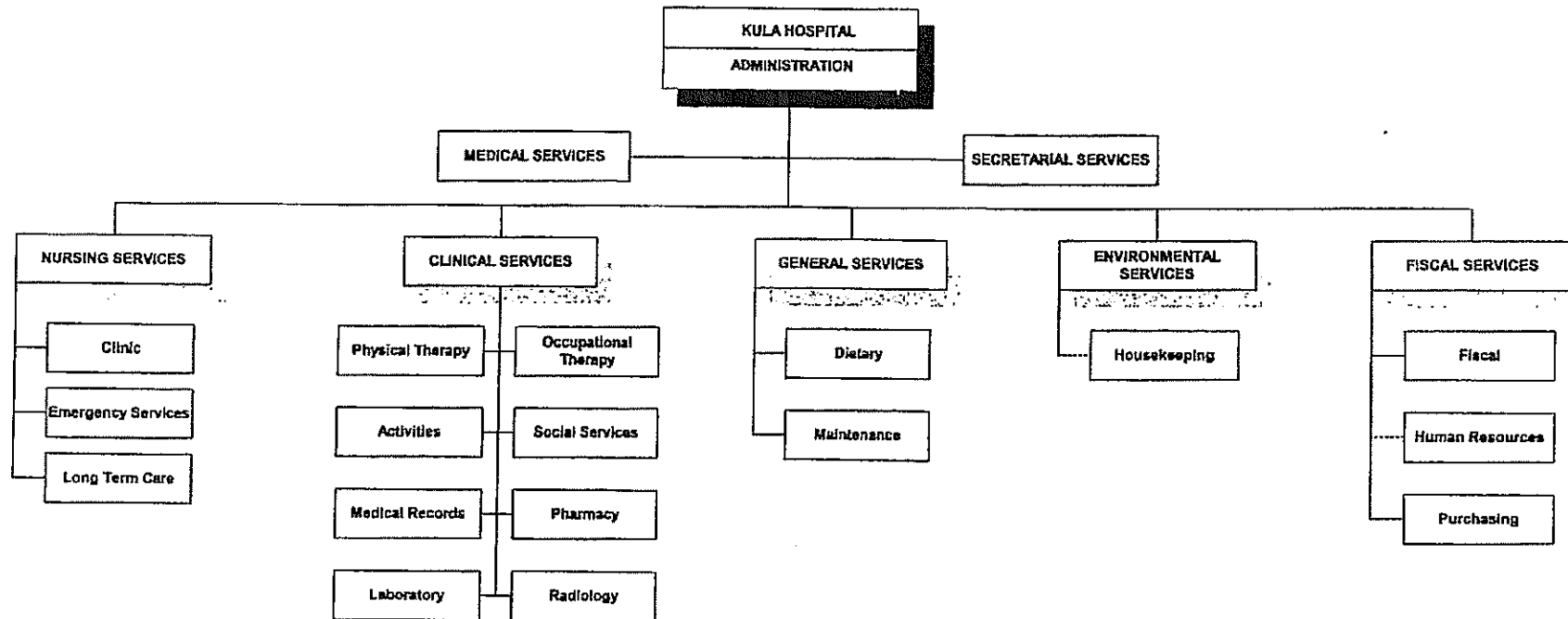
STATE OF HAWAII
HAWAII HEALTH SYSTEMS CORPORATION
MAUI MEMORIAL MEDICAL CENTER
ORGANIZATION CHART



Rev. 05/30/2008

HHSC Maui Region

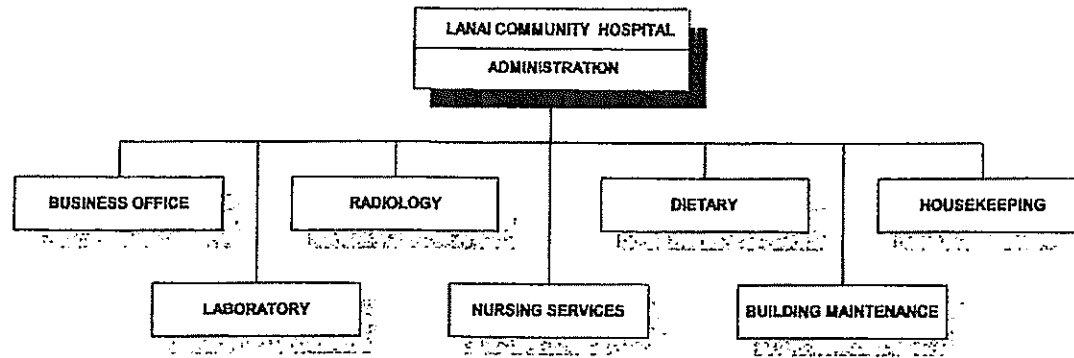
STATE OF HAWAII
HAWAII HEALTH SYSTEMS CORPORATION
KULA HOSPITAL
ORGANIZATION CHART



Rev. 06/30/2008
Dotted Line Indicates Direct Report to MAHAC

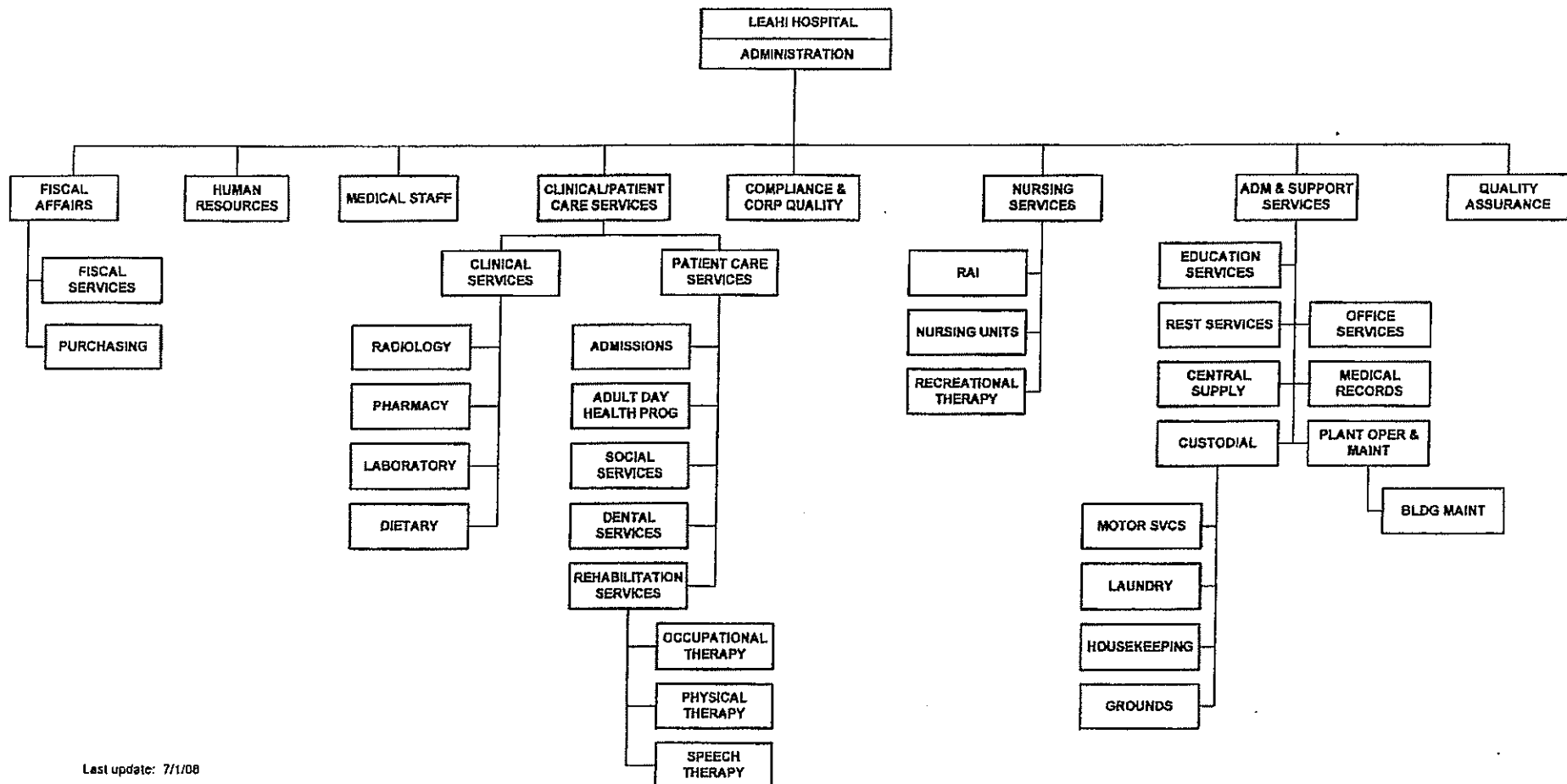
HHSC Maui Region

STATE OF HAWAII
HAWAII HEALTH SYSTEMS CORPORATION
LANAI COMMUNITY HOSPITAL
ORGANIZATION CHART



HHSC Oahu Region

STATE OF HAWAII
HAWAII HEALTH SYSTEMS CORPORATION
LEAHU HOSPITAL
ADMINISTRATION
ORGANIZATION CHART

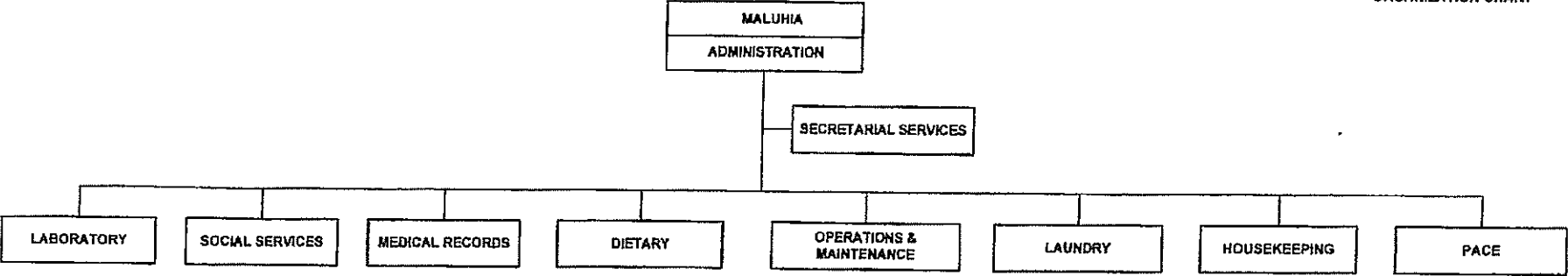


Last update: 7/1/08

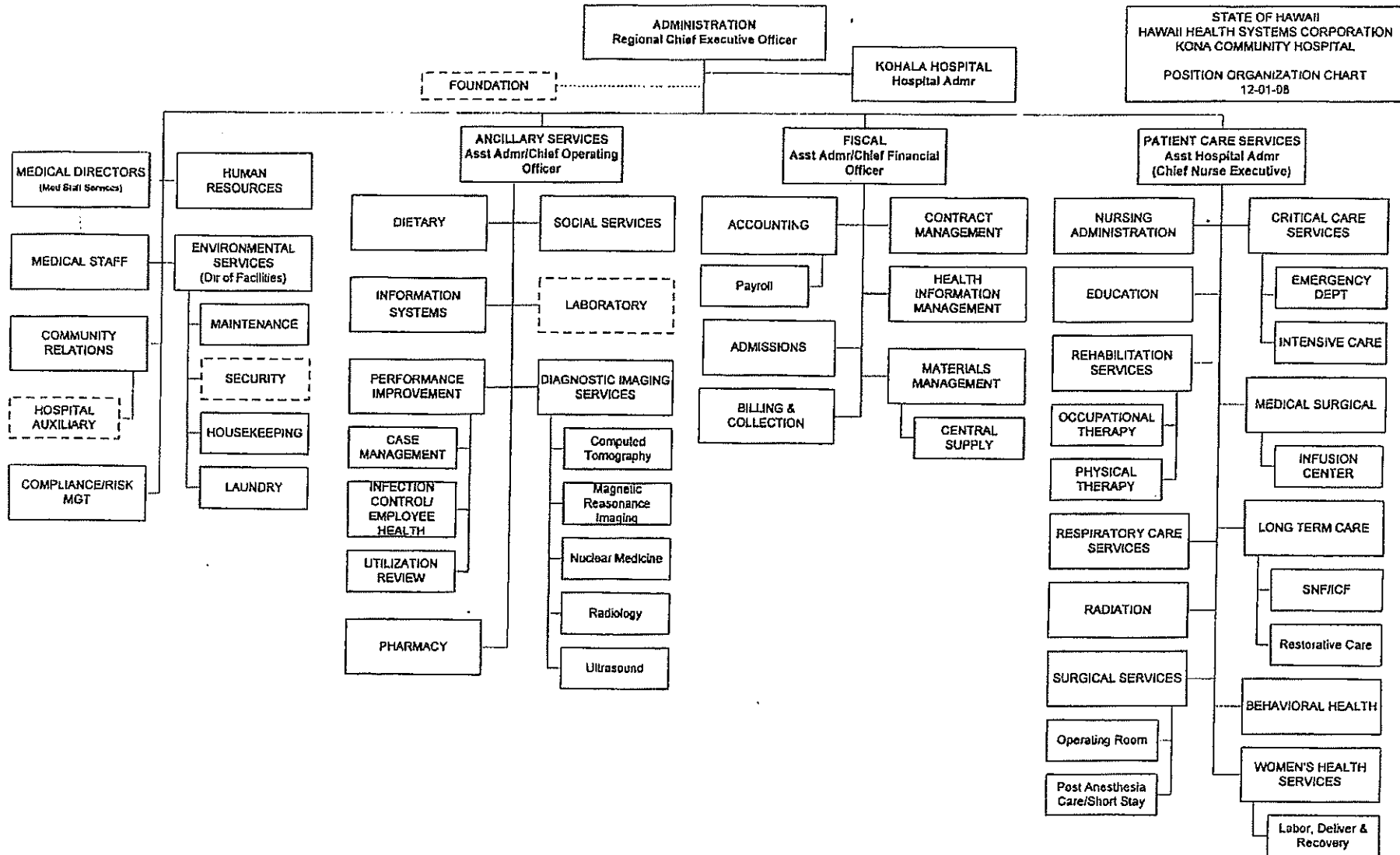
Pg. 1

HHSC Oahu Region

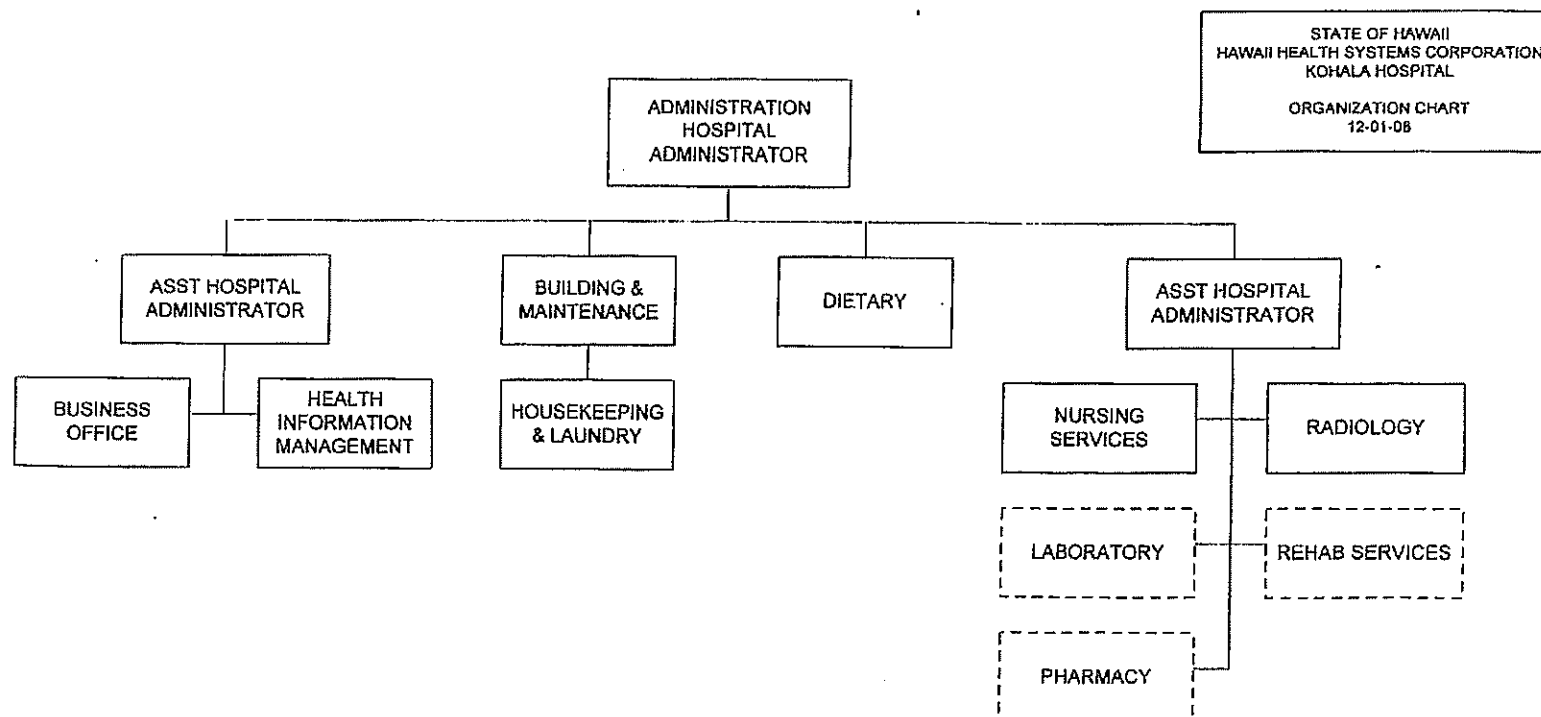
STATE OF HAWAII
HAWAII HEALTH SYSTEMS CORPORATION
MALUHIA
ADMINISTRATION
ORGANIZATION CHART



HHSC West Hawaii Region

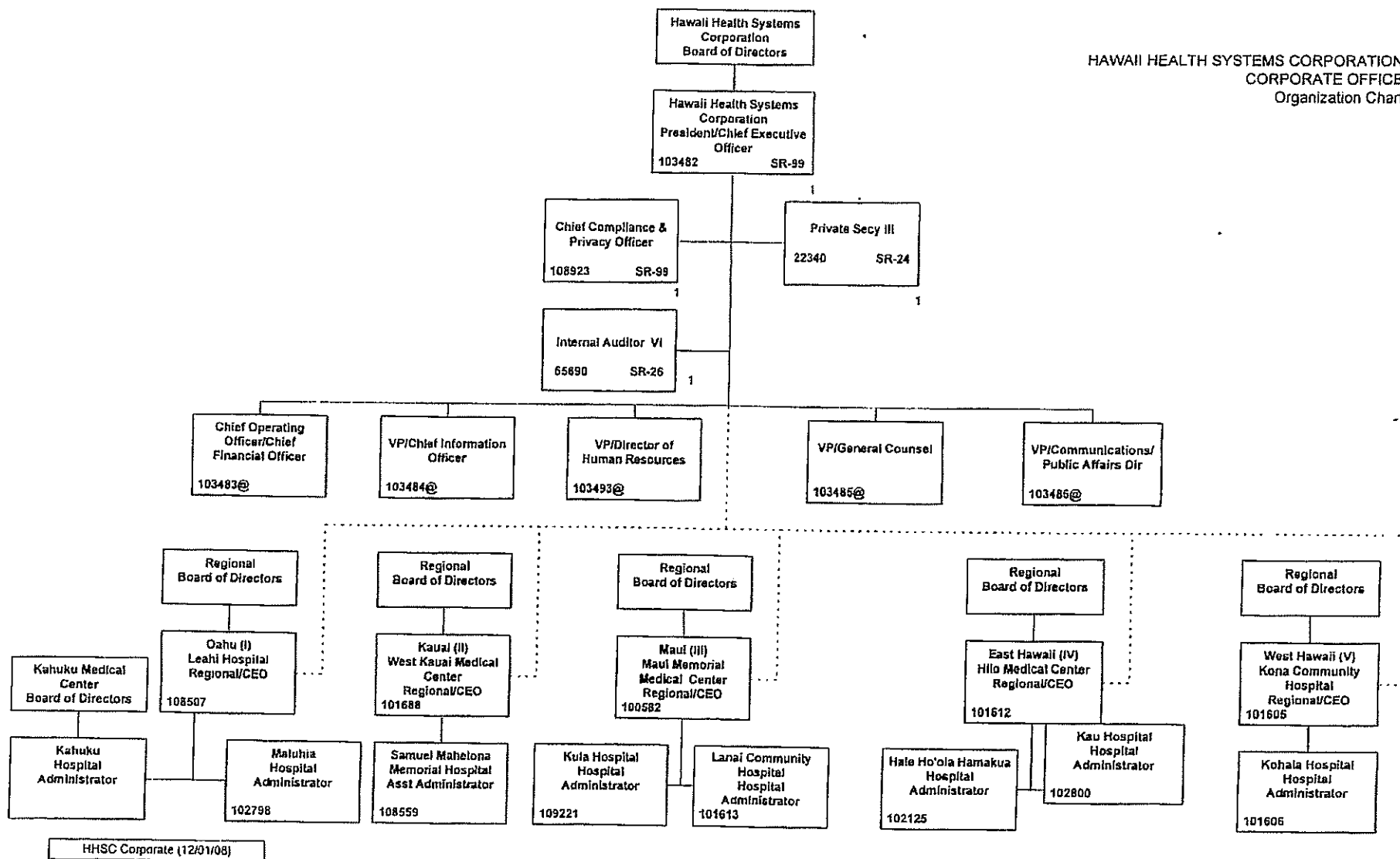


HHSC West Hawaii Region



HHSC Corporate Office

HAWAII HEALTH SYSTEMS CORPORATION
CORPORATE OFFICE
Organization Chart



TABLES 1 – 6

**Budget Briefing
January 8, 2009**

(Revised 1-6-09)

Table 1: Department Functions

<u>Priority #</u>	<u>Description of Function</u>	<u>Performance Measures</u>
<p><u>(NOTE: The basic functions of HHSC are to operate the facilities and clinics of the system. HHSC has recently been reorganized into semi-autonomous regions. No agreement has reached on prioritizing facilities or types of facilities, one before another. While we are, therefore, unable to list the "functions" (hospitals, critical access hospitals, physician clinics, etc.) of the system in a prioritized listing, we are providing details in Table 1 of the several types of operations of HHSC, the activities of these several types, and the measures of workload or performance involved. Information on applicable statutory provisions is also provided.)</u></p>		

Operate Community Hospitals.

Provision of emergency department services and extensive range of acute care hospital services at Maui Memorial Medical Center (Maui Region), Hilo Medical Center (East Hawaii Region), and Kona Community Hospital (West Hawaii Region).
Operate physician clinics as necessary to provide continuity of care and support for hospital services.

- * Acute Care Patient Days
- * Births
- * Emergency Room Visits
- * Hospital Surgical Procedures
- * Long Term Care Patient Days (Hilo Medical Center & Kona Community Hospital)
- * Physician Clinic Visits
- * Physician Clinic Procedures

Statutory Reference:

Act 262 Session Laws of Hawaii 1996, Section 20.

"It is the intent of this Act that all

Rights, powers, functions, assets, and operations of the Division of community hospitals be conveyed to the Hawaii health systems corporation, such that all of the Activities and services of the division of community

Hospital be continued without interruption by the corporation.

Act 290 SLH 2007 and Chapter 323F, HRS charge the HHSC Corporate

Board of Directors and the Regional Systems Boards of Directors to provide healthcare services to these communities. A substantial reduction or elimination of direct patient services at any facility requires the approval of the legislature. Section 323F-31(b) HRS.

Operate Critical Access Hospitals.

Provision of emergency department service and Other acute care and long term care services to Rural communities for which services would Otherwise not be provided. Operate physician clinics as necessary to provide continuity of care and support for hospital services.

- * Emergency Room Visits
- * Births (KVMH only)
- * Acute Care Patient Days
- * Long Term Care Patient Days
- * Surgical Procedures (KVMH Only)
- * Physician Clinic Visits
- * Physician Clinic Procedures

- Kauai Region: West Kauai Medical Center/Kauai Veterans Memorial Hospital & Samuel Mahelona Memorial Hospital
- Maui Region: Kula Hospital & Lana'i Community Hospital
- West Hawaii Region: Kohala Hospital
- East Haail Region: Hale Ho'ola Hamakua & Ka'u Hospital.

Statutory Reference:

Act 262 SLH 1996, Section 20. "It is the intent of this Act that all Rights, powers, functions, assets, and operations of the Division of community hospitals be conveyed to the Hawaii health systems corporation, such that all of the Activities and services of the division of community

Hospital be continued without interruption by the corporation. Act 290 SLH 2007 and Chapter 323F, HRS charge the HHSC Corporate Board of Directors and the Regional Systems Boards of Directors to provide healthcare services to these communities. A substantial reduction or elimination of direct patient services at any facility requires the approval of the legislature. Section 323F-31(b) HRS.

Federal Rural Hospital Flexibility Program. Created by Congress as part of the 1997 Balanced Budget Act, Critical Access Hospitals (CAH) program is a part of the Medicare Rural Hospital Flexibility Program (MRHFP). This program is designed to assist States and rural communities to improve access to essential health care services through the establishment of alternative service hospitals and rural health networks. A CAH is an acute care facility that provides emergency, outpatient, and limited inpatient services. A CAH may contain up to 25 acute care beds. CAHs receive at least 101% of costs for inpatient, swing-bed and outpatient hospital services.

Act 226, Session Laws of Hawaii, Regular session 2007, Section 4 as enacted, amended Section 346-59(a) HRS, in relevant parts, to require that "Payments to critical access hospitals for services rendered to Medicaid beneficiaries shall be calculated on a cost basis using Medicare reasonable cost principles." While Medicare program payments to CAHs for long term care patients of distinct part units of CAHs are not required to cover costs, in Hawaii Medicaid program payments for long term care patients of distinct part units of CAHs are calculated on a cost basis.

Operate Long Term Care Facilities.

Oahu Region: Leahi Hospital and Maluhia, a

Long term care facility

* Long Term Care Patient Days

* Adult Day Health Census

* Acute TB Patient Days

Statutory Reference:

Act 262 SLH 1996, Section 20. "It is the intent of this Act that all Rights, powers, functions, assets, and operations of the Division of community hospitals be conveyed to the Hawaii health systems corporation, such that all of the Activities and services of the division of community Hospital be continued without interruption by the corporation.

Act 290 SLH 2007 and Chapter 323F, HRS charge the HHSC Corporate Board of Directors and the Regional Systems Boards of Directors to provide healthcare services to these communities. A substantial reduction or elimination of direct patient services at any facility requires the approval of the legislature. Section 323F-31(b) HRS.

Prior to establishment of HHSC, HAR section 17-174-84(b)(5) excluded payments to tuberculosis services provided by Leahi Hospital from the Hawaii state Medicaid program. Leahi Hospital Operates the long term acute hospital ward (LTAC) for long term, Drug resistant, and other TB patients who are discharges from Other hospitals in Hawaii. While HAR 17-174-84(b)(5) is no longer in effect, the state payments from the Hawaii State Medicaid program for tuberculosis services provided by Leahi Hospital continue to be excluded.

Operate Home Health Program.

East Hawaii Region: Hilo Medical Center
Home Health Program.

- * Home Health Patient Census
- * Home Health Visits

Statutory Reference:

Act 262 SLH 1996, Section 20. "It is the intent of this Act that all Rights, powers, functions, assets, and operations of the Division of community hospitals be conveyed to the Hawaii health systems corporation, such that all of the Activities and services of the division of community Hospital be continued without interruption by the corporation.

Act 290 SLH 2007 and Chapter 323F, HRS charge the HHSC Corporate Board of Directors and the Regional Systems Boards of Directors to provide healthcare services to these communities. A substantial reduction or elimination of direct patient services at any facility requires the approval of the legislature. Section 323F-31(b) HRS.

Note 1

Operate State Veterans Home.

East Hawaii Region: Yukio Okutsu State Veterans
Home – Hilo.

Operation of the Yukio Okutsu State Veterans Home does not require subsidy from HHSC or general funds subsidy from the State of Hawaii. Payments from the State of Hawaii Medicaid programs, per diem payments from the VA, and payments from individual Veterans are sufficient to cover operating expenses.

- * Resident Census
- * Resident Days
- * Adult Day Health Census

Statutory Reference:

Title 38 Code of Federal Regulations.

State home means a home approved by the U.S. Department of Veterans Affairs (VA) which was established by a State for veterans disabled by age, disease, or otherwise who by reason of such disability are incapable of earning a living. State homes include facilities for domiciliary, nursing home care, and/or adult day health care. Hospital care may be included when provided in conjunction with domiciliary or Nursing home care. A State home may also provide care to veteran related family members. VA participates in two grant-in-aid programs for States. The VA may participate in up to 65 percent of the cost of construction or acquisition of State nursing homes or domiciliaries or for renovation to existing State Homes. VA also provides per diem payments to States for the care of eligible veterans in state homes. The Secretary of Veterans Affairs may adjust these rates each year.

Title 38 C.F.R, Part 17.199: Inspection of Recognized State Homes.

Title 38 C.F.R., Part 17.200: Audit of State Homes

Title 38 C.F.R., Part 51: Per Diem for Nursing Home Care of Veterans In State Homes

Table 2: Program ID Listing of Major Activities

Table 2
Program ID Listing of Major Activities

<u>Prog ID/Org</u>	<u>Major Activity or Activities performed</u>	<u>Priority #</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>PS \$\$\$\$</u>	<u>Other \$\$\$\$</u>	<u>MOF</u>
HTH 210/LA		1	2836.25		351,307,000	119,304,106	B
HTH 210/LA		1				82,460,894	A
<p>HHSC Corporation - Policy formulation, hospital system governance, business development, quality assurance, strategic direction, planning and coordination, financial management, legal counsel, personnel management, materials management, information systems, and technical services to support its community hospitals. HHSC Facilities - Primary hospital acute care provider on the neighbor islands, and , in most instances, the only in-patient hospital services in rural locations. Acute inpatient services include surgical, medical, critical care, obstetrics, pediatric, and psychiatric care. Outpatient care services include ambulatory surgery, home health, and emergency room services. Clinical services include nursing, anesthesiology, central supply, radiology, oncology, pathology, respiratory therapy, physical and occupation therapy, social services, pharmacy and dietary. Support services include processing, medical records, logistics, housekeeping, and maintenance.</p>							
HTH 211/	Kahuku Hospital - Provide quality health care and promote wellness in our community in a professional, caring, culturally sensitive and financially responsible manner.	1				1,500,000	A

Hawaii Health Systems Corporation
2009 Legislative Overview
TABLE 2
Program ID Listing of Major Activities

Prog ID/Org	Major Activities/Activities Performed	Prio#	Pos (P)	Pos (T)	PS \$\$\$\$	Other \$\$\$\$	MOF
Hilo Med. Center	Acute care hospital services, skilled nursing/long term care services, 24 hour physician staffed emergency services, cardiology services, inpatient dialysis, maternity services, gynecology services, pediatric services, adult psychiatric services, radiology services, urology services, neurology services, angiography and interventional radiology, telemedicine, surgical services, subspecialty surgical services (vascular, orthopedics, ophthalmology, otorhinolaryngology, urology), physiatry, wound and ostomy services, endoscopy, outpatient surgery clinic, oncology, pharmacy, EEG, laboratory and blood bank services, food and nutrition counseling, home health, rehab services (PT, OT, Speech, and recreational), respiratory therapy, and social services.		898.75	15.35	79 M	48 M	Net billing revenue, general fund subsidy, coll. Barg. Subsidy, donations.
Hale Ho'ola Hamakua	Critical Access Hospital services (acute and long term care), 24 hour emergency services, inpatient services (physical therapy, occupational therapy, speech therapy, social services, radiology, laboratory), outpatient services (laboratory and radiology), nutrition services, and volunteer services.		82	4.69	7 M	3.7 M	
Kau Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, inpatient services (radiology, physical therapy, occupational therapy, speech therapy, laboratory), outpatient services (laboratory, radiology, and pharmacy), primary care clinic (family practice and internal medicine), and geriatric medicine.		49.8	3	5 M	1.6 M	
Kona Community Hospital	Acute care hospital services, skilled nursing/long term care services, 24 hour emergency services, inpatient and outpatient services, obstetrics/gynecology, medical/surgical, ICU, behavioral health, outpatient nursing services (chemotherapy), physical therapy, occupational therapy, speech therapy, respiratory therapy, pharmacy, laboratory and pathology services, radiology services (MRI, CT Scan, Ultrasound, Echo, Nuclear Medicine), cardiology, and radiation therapy.		394.8	14.6	37 M	25 M	
Kohala Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, inpatient and outpatient laboratory and radiology services.		50.6	2.6	4.1 M	1.9 M	
Kauai Veterans Memorial Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, cardiac care, surgical services (inpatient/outpatient), staff radiologist, staff orthopedic surgeon, inpatient and outpatient radiology (CT scan, ultrasound, mammography), fetal ultrasound consultation arrangement with Kapiolani Medical Center, cardiac ultrasound arrangement with Queen's Medical Center, physical therapy, occupational therapy, pharmacy, respiratory therapy, OB/GYN services, mother/baby care, pediatric care, nutrition counseling, laboratory services, social services, and off-site multi-specialty clinics.		258.08	17.30	31 M	12.5 M	
Samuel Mahelona Memorial Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, inpatient services (pharmacy, social services, physical therapy, occupational therapy, speech therapy, recreational therapy, dietitian counseling), outpatient services (laboratory, physical therapy, radiology, and		149.55	3.5	11 M	6.9	

	occupational therapy), adult inpatient psychiatric services, detoxification services, and inpatient tuberculosis services.						
Mau Memorial Medical Center	Acute care hospital services, radiology services (CT Scan, MRI, ultrasound, nuclear medicine, thallium stress treadmills, general angiography, interventional services, cardio version, ablations, EP studies, cardiac catheterization, pacemakers, ERCP, and stereotactic mamnography), cardiac and ICU, progressive care unit, adult psychiatric unit, physical therapy, occupational therapy, recreational therapy, outpatient surgery, acute inpatient dialysis, inpatient surgery, obstetrics/gynecology, cancer center (medical oncology/radiation oncology), 24 hour emergency/urgent care services, pharmacy, respiratory therapy, pediatrics, telemetry, EEG, laboratory, echocardiography, Tran esophageal echos, treadmill stress tests, neurosurgery, endoscopy, nutrition counseling, general medical surgical units, outpatient observation unit, wound/ostomy care, and skilled nursing care.		1154.75	34.26	117.5 M	87 M	
Kula Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, developmentally disabled inpatient services (ICF-MR), Alzheimer's and dementia care, family practice clinic services, pharmacy services, physical therapy services, occupational therapy services, laboratory services, radiology services, and outpatient clinic.		183.2	2.5	15.8 M	5 M	
Lanai Community Hospital	Critical Access Hospital services (acute and long term care), 24 hour emergency services, limited laboratory services, limited radiology services, and dialysis services.		30.5	4.5	2.4 M	1.7 M	
Maluhia Hospital	Long term care inpatient services, adult day health services, home care services, primary care clinic, nutrition services, social services, radiology services, physical therapy, occupational therapy, speech therapy, and recreational therapy.		205.5	4.8	15.5 M	3 M	
Leahi Hospital	Long term care inpatient services, acute inpatient TB unit, outpatient TB services, geriatric outpatient clinic, adult day health services, pharmacy services, recreational therapy, nutrition services, social services, physical therapy services, occupational therapy services, speech therapy services, laboratory services, and radiology services.		274.3	7.74	19 M	3.9 M	
HHSC Corporate Office	Administrative and governance support services, financial support services, human resource support services, information technology support services, legal support services, and public relations support services.		55.5	5	7.3 M	1.8 M	

Table 3: Biennium Budget Reductions

The administration excluded HHSC from the requirement to submit tiered mandatory reductions to baseline funding for the FB 2009-2011 biennium budget. Extraordinary actions were taken by HHSC regions to develop FY 2009-2011 budgets that are in line with funding advice provided by the Director of Finance. The fiscal and operational magnitude of those actions are described in the narrative section, starting on page 2.

Table 3
Biennium Budget Reductions

#	<u>Description of Reduction</u>	<u>Impact of Reduction</u>	<u>Prog ID/Org</u>	<u>Pos</u>	<u>Pos</u>	<u>\$\$\$\$ 10</u>	<u>Pos</u>	<u>Pos</u>	<u>\$\$\$\$ 11</u>	<u>MOF</u>
				<u>(P) 10</u>	<u>(T) 10</u>		<u>(P) 11</u>	<u>(T) 11</u>		
1	N/A									
2										
3										
4										
5										

Table 4: Biennium Budget Additions

No additions were made to the activities of HHSC or the HHSC regions resulting in increases to the HHSC budget beyond the baseline general funds subsidy in the executive budget, which essentially bring forward the funding base of general funds subsidy and collective bargaining funding from the previous biennium budget. Increase in special fund ceiling will be covered by additional cash revenues from operations, therefore requiring no increase in budgeting for the state general fund.

Table 4
Biennium Budget Additions

[illegible]

For reference, distribution by facility and region of \$83,690,000 in general fund subsidy for FY2010 and FY 2011 is provided.

Hawaii Health Systems
General Fund Request
in 000's

		Base General Funds In Executive Budget Submission	
		FY 2010	FY 2011
<u>HTH 210</u>			
East HI	Hilo	21018	21018
East HI	Hamakua	2135	2135
East HI	Kau	1328	1328
East HI Total		24481	24481
West HI	Kona	10030	10030
West HI	Kohala	1193	1193
West HI Total		11223	11223
Maui	Maui	22476	22476
Maui	Kula	3753	3753
Maui	Lanai	1027	1027
Maui Total		27256	27256
Kauai	KVMH	5901	5901
Kauai	SMMH	2884	2884
Kauai Total		8785	8785
Oahu	Leahi	5779	5779
Oahu	Maluhia	4616	4616
Oahu Total		10395	10395
Corp		320	320
TOTAL		82140	82140
<u>HTH 211</u>			
Kahuku Medical Center		1500	1500

\$10 million in CIP funds is included in the executive budget submission for HHSC for both FY 2010 and FY 2011. HHSC regions requested totals of \$321,541,000 in CIP funding for FY 2010 and \$78,124,000 in CIP funding for FY 2011 for important and urgent initiatives; summary by region follows:

Hawaii Health Systems Corporation
Biennium Budget
CIP Request

CIP Request
in 000's

	FY 2010	FY 2011
East HI Total	49663	53792
West HI Total	14212	16395
Maui Total	146850	0
Kauai Total	94414	4760
Oahu Total	19402	3177
TOTAL	324541	78124

Table 5: Restrictions

To date, the governor has imposed a four percent (4%) restriction on HHSC's FY 09 general funds subsidy, or \$2,204,918 of total FY 09 general funds subsidy of \$55,123,000. The funding restriction was applied proportionally (based on budgeted distribution of FY 09 general funds subsidy) to program IDs HTH 210 (HHSC) and HTH 211 (Kahuku Medical Center) and to the twelve facilities of HHSC:

<u>HTH 210 – FY 09 restriction = \$2,144,918</u>	
Hilo Medical Center	\$ 555,560
Hale Ho'ola Hamakua	\$ 61,240
Ka'u Hospital	\$ 38,640
Kona Community Hospital	\$ 259,560
Kohala Hospital	\$ 31,200
Maui Memorial Medical Center	\$ 540,800
Kula Hospital	\$ 93,480
Lanai Community Hospital	\$ 32,120
Kauai Veterans Memorial Hospital	\$ 172,600
Samuel Mahelona Memorial Hospital	\$ 78,120
Leahi Hospital	\$ 154,480
Maluhia	\$ 127,120
 <u>HTH 211 – FY 09 restriction = \$60,000</u>	
Kahuku Medical Center	\$ 60,000

Impact: The \$2,204,920 general funds restriction added to the cash flow shortfall for HHSC and the regions for FY 09. Previously a FY 09 cash flow shortfall of \$62 million was identified for the year. With the funding restriction, the projected shortfall became over \$64 million. While regions and the corporate office are making best efforts to implement FY 09 contingency plans to manage the shortfall, as discussed in the narrative section beginning on page 2, the funding restriction has affected the ability of HHSC facilities to pay for goods and services. The system-wide accounts payable total of \$31.4 million as of December 22, 2008 could have been reduced by up to \$2 million or more, if the funding restriction had not been required. This demonstrates that, for HHSC, cash flow shortfall is immediately reflected in reduced payments to the companies that provide goods and services to HHSC and its facilities.

FY 2010 AND FY 2011 Impact: As of now, the FY 09 restriction is not being applied to baseline general funds subsidy for FY 2010 and FY 2011. However, additional accounts payable of up to \$2.2 million will likely be carried forward into FY 2010 as a result of the FY 09 restriction. The FY 2010 budgets for HHSC and the regions and facilities of HHSC do not include additional funds to pay off the \$2.2 million increase in accounts payable.

Other Sources of Revenue

The majority of cash revenues for HHSC regions is generated from collections from private sector health plans, from individuals, and from government health plans such as Medicaid and Medicare. HHSC and its facilities also receive limited amount of interest earnings on deposits in financial institutions

Budgeted system-wide cash collections and interest earnings for FY 2010 total \$440,505,000

Budgeted system-wide cash collections and interest earnings for FY 2011 total \$475,780,000.

Capital Improvement Program (CIP) Budget

Capital Improvement Requests for Fiscal Biennium 2009-2011

1. LUMP-SUM CIP, REPAIR AND MAINTENANCE, STATEWIDE

DESIGN, CONSTRUCTION, AND EQUIPMENT TO IMPLEMENT REPAIR AND MAINTENANCE PROJECTS FOR THE HAWAII HEALTH SYSTEMS CORPORATION, STATEWIDE

	<u>FY 2010</u>	<u>FY 2011</u>
Design	499 C	499 C
Construction	9500 C	9500 C
Equipment	1 C	1 C

Explanation and Scope of Project

To implement repair and maintenance projects for the Hawaii Health Systems Corporation.

Justification for the Project

All HHSC facilities are in need of reroofing, repainting, resurfacing, interior and exterior repairs, plumbing, electrical and or air conditioning work.

Senate District (Statewide)

House District (Statewide)

Table 6 Program ID Program Performance Results

Table 6
 Prog ID
 Program Performance Results

#	<u>Measures of Effectiveness</u>	<u>Direction of Success</u> <u>(increase/decrease)</u>	<u>FY07 Result</u>	<u>FY08 Result</u>	<u>FY09 Plan</u>	<u>FY10 Plan</u>
1	Average of Operating Cost per Patient Day (excl equipment)	decrease	1095.14	1190.41	1250.46	1260
2	Average Patient Revenue Per Patient Day	increase	917.27	972.42	1025.07	1030
3	Occupancy Rate - Acute Care	increase	67.96	67.48	68.55	70
4	Occupancy Rate - Long-term Care	increase	97.61	97.34	98.87	99

Program Performance

Quality "patient safe", accessible and affordable healthcare efficiently provided by HHSC facilities to all communities served. Details available upon request.

Results relate to the program's objectives and department's mission:

Mission accomplished. Successfully fulfilled HHSC Safety-Net mission with quality outcomes.

Program activities were accomplished in the past year (FY08), with 22,763 in-patient admissions and 119,549 acute care patient days, 1,195 long-term care admissions, 282,651 long-term care patient days, 3,874 babies born, and 102,162 emergency room visits.

Effectiveness of the program and performance results achieved:

All 15 HHSC facilities are fully certified and have maintained their licensure by both State & National standards. All HHSC facilities are certified annually by Medicare/Medicaid and all have successfully passed those surveys.

HHSC also continues its long-standing participation with Hawaii Medical Services Association (HMSA) Hospital Quality and Service Recognition program that offers financial incentives for meeting performance indicators related to patient care quality.

All four HHSC Joint Commission accredited facilities continue to focus efforts on the value of accreditation process and we are pleased to report that all four facilities received full three year accreditation by the Join Commission in unannounced surveys during 2008.

In addition, HHSC annually has a detailed independent third party financial audit conducted for the entire system. HHSC has just received its eleventh consecutive "clean" unqualified audit with no material weaknesses and no reportable conditions. Furthermore, HHSC has a myriad of internal reporting / performance measures that are utilized by the board of Directors and management to insure compliance, quality and financial efficiency in all system work. Details available upon request.

Actions taken by each program to improve its performance results:

Facilities have used past survey results and recent changes in survey guidelines to establish monitoring and process improvement initiatives that are actively being managed. The results of these efforts should be seen in the outcomes of CMS licensure surveys and findings. Although there are occasional short-term set backs, long term aggregate results are very positive.

Modifications to the system's performance measures:

As necessary, HHSC internal reporting / performance measures are continually adjusted and revamped to meet the ever-changing needs of today's fluid healthcare environment. Some examples are in annual reporting measures on workers compensation; new revenue enhancing measures; and additional quality measures involving patient safety.

Annually, HHSC focuses on new national patient safety goals most recently approved by Joint Commission as it relates to hospitals and critical access hospitals. Details available upon request.

Attachments 1- 8

Attachment 1: Department-Wide Summary Information

Please provide totals for the department's FY09 budget with restrictions and emergency requests by Means of Financing (MOF).

Please provide the proposed FY10 and FY11 operating budget adjustments by MOF. Beginning with your department's appropriation from Act 158, Session Laws of Hawaii 2008, provide proposed adjustments for collective bargaining, all reductions, all additions, and the resultant total for all MOF.

Attachment 2: FY09 Proposed Emergency Requests

Please identify all emergency requests that your department will be seeking for FY09 by MOF. If none, please indicate "none".

Attachment 3: Program ID Totals

Please provide the position count and dollar amount totals, by Program ID and by MOF, for each of the Program ID's in your department. Please include the title of the Program ID as well. Please provide these totals for both FY10 and FY11.

Attachment 4: Budget Decisions

Please provide a summary of your department's requests to the Department of Budget and Finance (B&F), the funding decisions made by B&F, and the final funding decisions made by the Governor. Please list these requests in your department's priority order, with the most important being first. Please provide the position counts (both permanent and temporary) and dollar amounts for FY10 and FY11 by MOF. Please include the reductions submitted in response to the 20% scenario (Tier 3 from Executive Memorandum 08-10).

Attachment 5: Vacancy Report

Please identify all positions that are vacant as of December 1, 2008. For each of these positions, please indicate the date of vacancy, the position title, position number, whether or not this position has exempt status, the amount budgeted for this position, and the amount actually paid for this position when it was last filled by MOF. Additionally, please indicate the Program ID this position is located in and if authority to hire was or was not granted.

Attachment 6: Expenditures Exceeding Federal Fund Ceiling

Please provide a list of all instances when your department exercised Section 167 of Act 213, Session Laws of Hawaii 2007, as amended by Act 158, Session Laws of Hawaii 2008 (whenever your department was granted an increase in its expenditure ceiling for federal funds in excess of levels authorized by the Legislature) for FY08 and FY09 to date.

Attachment 7: Transfers

Please provide a list of all instances when your department exercised Section 171 of Act 213, Session Laws of Hawaii 2007, as amended by Act 158, Session Laws of Hawaii 2008 (whenever your department transferred funds) for FY08 and FY09 to date.

Attachment 8: CIP Summary

Please provide a summary of your entire department's CIP requests. Please list these projects in priority order, with the most important first. Please provide the title for the project as well as funding amounts requested by MOF.

Attachment 1
Department-Wide Summary Information (by MOF)
HAWAII HEALTH SYSTEMS CORPORATION

Fiscal Year (FY) 2009					
Act 158/08 Appropriation (a)		Restriction (b)	Emergency Request (c)	Total FY09 (a)+(b)+(c)	MOF
53,622,961		(2,144,918)		51,478,043	A
403,460,000				403,460,000	B
				-	
457,082,961		(2,144,918)	-	454,938,043	Total

Fiscal Year (FY) 2010					
Act 158/08 Appropriation (d)	Collective Bargaining (e)	Reduction (f)	Additions (g)	Total FY10 (d)+(e)+(f)+(g)	MOF
53,622,961	28,837,933			82,460,894	A
403,460,000			67,151,106	470,611,106	B
				-	
457,082,961	28,837,933	-	67,151,106	553,072,000	Total

Fiscal Year (FY) 2011					
Act 158/08 Appropriation (h)	Collective Bargaining (i)	Reduction (j)	Additions (k)	Total FY11 (h)+(i)+(j)+(k)	MOF
53,622,961	28,837,933			82,460,894	A
403,460,000			84,165,106	487,625,106	B
				-	
457,082,961	28,837,933	-	84,165,106	570,086,000	Total

Please indicate restrictions and reductions as negative numbers, using brackets ()

Attachment 1
Department-Wide Summary Information (By MOF)
KAHUKU MEDICAL CENTER
Fiscal Year (FY) 2009

Act 158/08 Appropriation (a)		Restriction (b)	Emergency Request (c)	Total FY09 (a)+(b)+(c)	MOF
1,500,000		(60,000)		1,440,000	A
				-	
				-	
1,500,000		(60,000)	-	1,440,000	Total

Fiscal Year (FY) 2010

Act 158/08 Appropriation (d)	Collective Bargaining (e)	Reduction (f)	Additions (g)	Total FY10 (d)+(e)+(f)+(g)	MOF
1,500,000	-			1,500,000	A
				-	
				-	
1,500,000	-	-	-	1,500,000	Total

Fiscal Year (FY) 2011

Act 158/08 Appropriation (h)	Collective Bargaining (i)	Reduction (j)	Additions (k)	Total FY11 (h)+(i)+(j)+(k)	MOF
1,500,000				1,500,000	A
				-	
				-	
1,500,000	-	-	-	1,500,000	Total

Please indicate restrictions and reductions as negative numbers, using brackets ()

Attachment 2
FY09 Proposed Emergency Requests

<u>Program ID</u>	<u>Description of Emergency Request</u>	<u>FTE</u>	<u>\$\$\$</u>	<u>MOF</u>
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Governor declined to submit emergency appropriation request for HHSC for FY2009				
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Attachment 3
Program ID Totals

[illegible]

Attachment 4
Budget Decisions

[illegible]

Attachment 5
All Positions Vacant as of 12/1/08

Date of
Vacancy

Position Title

Position
Number

Exempt
(Y/N)

Budgeted
Amount

Actual Salary
Last Paid

MOF

Prog ID

Authority to Hire
(Y/N)

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Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
HAWAII HEALTH SYSTEMS CORP	HILO DATA CENTER	55375	COMPUTER OPERATOR II		1/21/2005	\$ 35,000.00	\$ 33,756.00	Not Authorized to Recruit
HAWAII HEALTH SYSTEMS CORP	PURCHASING & STORES	55756	CONTRACTS MANAGER I		1/19/2008	\$ 58,000.00	\$ 55,488.00	Authorized to Recruit
HAWAII HEALTH SYSTEMS CORP	HILO DATA CENTER	56601	DATA PROC SYSTEMS ANALYST V		11/1/2008	\$ 58,000.00	\$ 51,312.00	Authorized to Recruit
HAWAII HEALTH SYSTEMS CORP	HOSPITAL ADMINISTRATION	109342	DIR OF QUAL ASSUR	Exempt	12/2/2008	\$ 113,000.00		Authorized to Recruit
HALE HO'OLA HAMAKUA	SNF-ICF	20214	LICENSED PRACTICAL NURSE FP		6/10/2008	\$35,828.00	\$28,360.00	Authorized to Recruit
HALE HO'OLA HAMAKUA	SNF-ICF	20215	LICENSED PRACTICAL NURSE FP		2/12/2008	\$36,929.00	\$10,530.00	Authorized to Recruit
HALE HO'OLA HAMAKUA	GENERAL ACCOUNTING	45545	ACCOUNTANT III		5/31/2008	\$51,312.00	\$42,144.00	Authorized to Recruit
HALE HO'OLA HAMAKUA	SNF-ICF	49457	CERTIFIED NURSE AIDE ENTRY		10/8/2008	\$32,364.00	\$30,528.00	Authorized to Recruit, position's authorized level is FP.
HALE HO'OLA HAMAKUA	DIETARY	49464	KITCHEN HELPER		7/2/2008	\$32,856.00	\$31,596.00	Authorized to Recruit
HALE HO'OLA HAMAKUA	NURSING ADMIN-LTC	54417	RECREATIONAL AIDE FP		2/1/2008	\$34,440.00	\$32,736.00	Authorized to Recruit
HALE HO'OLA HAMAKUA	OCCUPATIONAL THERAPY	55475	OCCUPATIONAL THERAPIST III		9/23/2006	\$21,070.40	\$19,479.20	Authorized to Recruit
HALE HO'OLA HAMAKUA	RADIOLOGY-DIAGNOSTIC	56035	RADIOLOGIC TECH FP		2/1/2007	\$18,980.00	\$16,213.60	Authorized to Recruit
HALE HO'OLA HAMAKUA	HOSPITAL ADMINISTRATION	102125	HOSPITAL ADMINISTRATOR	Exempt	6/30/2007	\$99,000.00	\$98,075.84	Authorized to Recruit
HALE HO'OLA HAMAKUA	SNF-ICF	108739	PER DIEM NURSE	Exempt	12/10/2008	\$36.02	\$26.25	Authorized to Recruit
HALE HO'OLA HAMAKUA	SNF-ICF	109103	PER DIEM LPN	Exempt	6/12/2008	\$21.44	\$20.62	Authorized to Recruit
HALE HO'OLA HAMAKUA	NURSING ADMIN-LTC	109290	DIRECTOR OF NURSING	Exempt	8/25/2008	\$86,000.00	\$78,072.00	Authorized to Recruit
HILO MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	20317	MEDICAL TRANSCRIPTIONIST		10/25/2008	\$30,036.00	\$39,480.00	Authorized to Recruit
HILO MEDICAL CENTER	DIETARY	20327	COOK IV		11/30/2008	\$46,008.00	\$45,920.00	Authorized to Recruit
HILO MEDICAL CENTER	DIETARY	20336	ASSISTANT TO THE DIETITIAN		10/30/2008	\$33,780.00	\$33,780.00	Authorized to Recruit
HILO MEDICAL CENTER	HOUSEKEEPING	20360	JANITOR SUPERVISOR II		2/1/2008	\$39,036.00	\$37,536.00	Authorized to Recruit
HILO MEDICAL CENTER	GROUNDWORK	20424	GENERAL LABORER II		5/16/2008	\$33,780.00	\$28,143.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL RECORDS	20428	HEALTH INFO TECH I		8/1/2008	\$28,836.00	\$31,212.00	Authorized to Recruit
HILO MEDICAL CENTER	OBSTETRICS ACUTE	20473	REGISTERED PROF NURSE V		12/3/2007	\$87,760.00	\$81,168.00	Authorized to Recruit Incumbent currently TAing into position.
HILO MEDICAL CENTER	EMERGENCY SERVICES	20484	REGISTERED PROF NURSE III		8/22/2008	\$68,736.00	\$78,072.00	Authorized to Recruit
HILO MEDICAL CENTER	MED/SURG SNF	20485	REGISTERED PROF NURSE III		10/12/2007	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	20494	REGISTERED PROF NURSE III		9/30/2008	\$68,736.00	\$74,328.00	Authorized to Recruit
HILO MEDICAL CENTER	CORONARY CARE	20526	REGISTERED PROF NURSE III		4/30/2008	\$68,736.00	\$71,412.00	Authorized to Recruit
HILO MEDICAL CENTER	MED-SURG INTENSIVE CARE	20541	REGISTERED PROF NURSE III		12/19/2008	\$68,736.00	\$74,328.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	20573	LICENSED PRACTICAL NURSE FP		8/1/2008	\$36,828.00	\$44,604.00	Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	20613	EMERGENCY ROOM ASST ENTRY		6/1/2008	\$36,828.00	\$ 39,708.00	Authorized to Recruit, position's authorized level is FP.

Created: 12-30-08

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HILO MEDICAL CENTER	BIOMED	20629	BIOMED ENG TECH III		8/1/2005	\$55,824.00	\$46,275.60	Incumbent of position TAng into position 54862; position authorized at IV level.
HILO MEDICAL CENTER	SURGICAL ACUTE	20632	LICENSED PRACTICAL NURSE FP		11/29/2008	\$36,828.00	\$44,604.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	20641	LICENSED PRACTICAL NURSE FP		4/22/2008	\$36,828.00	\$44,604.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	20643	NURSE AIDE ENTRY		4/14/2008	\$32,364.00	\$30,534.40	Authorized to Recruit; authorized level for position is FP
HILO MEDICAL CENTER	EMERGENCY SERVICES	20644	CERTIFIED NURSE AIDE FP		7/27/2008	\$32,364.00	\$27,900.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	20646	LICENSED PRACTICAL NURSE ENTRY		3/7/2008	\$36,828.00		Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	20676	NURSE AIDE ENTRY		3/1/2008	\$32,364.00	\$34,284.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL RECORDS	20695	HEALTH INFO TECH I		8/21/2008	\$28,835.00	\$30,035.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	25169	REGISTERED PROF NURSE III		8/7/2008	\$68,736.00	\$74,328.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	25289	REGISTERED PROF NURSE III		12/1/2008	\$68,736.00	\$80,004.00	Authorized to Recruit
HILO MEDICAL CENTER	ADMITTING	26470	ADMITTING CLERK I		5/24/2008	\$13,873.60	\$26,688.00	Authorized to Recruit; position at 50% FTE
HILO MEDICAL CENTER	INFECTION CONTROL	33236	REGISTERED PROF NURSE VI		11/15/2008	\$80,376.00	\$91,216.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	33929	CERTIFIED NURSE AIDE ENTRY		10/1/2008	\$32,364.00	\$32,364.00	Authorized to Recruit; authorized level for position is FP
HILO MEDICAL CENTER	INTERMEDIATE CARE	38504	CERTIFIED NURSE AIDE FP		12/20/2008	\$32,364.00	\$32,364.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	38754	CERTIFIED NURSE AIDE FP		8/30/2008	\$32,364.00	\$32,364.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	38856	CERTIFIED NURSE AIDE FP		6/27/2008	\$32,364.00	\$31,116.00	Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	44745	EMERGENCY ROOM ASST FP		9/18/2008	\$36,828.00	\$36,828.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	44778	CERTIFIED NURSE AIDE FP		5/29/2008	\$32,364.00	\$31,116.00	Authorized to Recruit
HILO MEDICAL CENTER	SURGICAL ACUTE	45808	REGISTERED PROF NURSE III		11/10/2007	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	SURGERY GEN-MAJOR	47838	REGISTERED PROF NURSE III		7/1/2008	\$68,736.00	\$73,236.00	Authorized to Recruit
HILO MEDICAL CENTER	ADMITTING	51508	ADMITTING CLERK I		11/1/2008	\$27,756.00	\$31,212.00	Authorized to Recruit
HILO MEDICAL CENTER	DIETARY	52208	KITCHEN HELPER		10/24/2008	\$32,856.00	\$32,856.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	53577	HEALTH UNIT CLERK II		7/19/2008	\$27,756.00	\$27,756.00	Authorized to Recruit
HILO MEDICAL CENTER	NURSING ADMIN-ICF	53716	ACTIVITIES COORDINATOR FP		5/2/2008	\$39,708.00	\$38,184.00	Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	53757	HEALTH UNIT CLERK II		10/16/2008	\$27,756.00	\$23,952.00	Authorized to Recruit
HILO MEDICAL CENTER	INTERMEDIATE CARE	54083	REGISTERED PROF NURSE III		7/1/2008	\$68,736.00	\$66,096.00	Authorized to Recruit
HILO MEDICAL CENTER	NURSING ADMIN-ICF	54148	REGISTERED PROF NURSE III		10/15/2007	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	SURGICAL ACUTE	54284	REGISTERED PROF NURSE III		11/10/2008	\$68,736.00	\$76,164.00	Authorized to Recruit
HILO MEDICAL CENTER	SURGICAL ACUTE	54289	REGISTERED PROF NURSE III		2/19/2008	\$68,736.00		Authorized to Recruit

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Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	54296	NURSE AIDE ENTRY		4/5/2008	\$32,364.00	\$30,756.00	Authorized to Recruit; authorized level for position is FP
HILO MEDICAL CENTER	DIETARY	54364	COOK III		9/2/2008	\$43,788.00	\$43,788.00	Authorized to Recruit
HILO MEDICAL CENTER	PATIENT ACCOUNTING	54443	CLERK III		11/20/2008	\$25,668.00	\$25,668.00	Authorized to Recruit
HILO MEDICAL CENTER	SURGERY GEN-MAJOR	54600	SURGICAL TECHNICIAN FP		9/6/2008	\$36,828.00	\$36,828.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL STAFF ADMIN	54604	CLERK TYPIST III		6/28/2008	\$27,756.00	\$26,668.00	Authorized to Recruit
HILO MEDICAL CENTER	FLOAT POOL	55117	REGISTERED PROF NURSE III		4/14/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	55118	REGISTERED PROF NURSE III		5/27/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	FLOAT POOL	55119	REGISTERED PROF NURSE III		3/3/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	PATIENT ACCOUNTING	55282	PATIENT FIN SVCS MGR II		6/1/2007	\$55,500.00		Authorized to Recruit
HILO MEDICAL CENTER	NURSING ADMIN-ACUTE	55436	REGISTERED PROF NURSE VI		3/17/2008	\$80,376.00	\$73,596.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	55587	REGISTERED PROF NURSE III		2/19/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL ACUTE	55588	REGISTERED PROF NURSE III		2/19/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	HOSPITAL ADMINISTRATION	55589	REG COMPL & PRIVACY OFFCR		12/5/2005	\$51,312.00		Authorized to Recruit; incumbent TAing
HILO MEDICAL CENTER	PSYCH ACUTE-ADULT	55617	REGISTERED PROF NURSE III		9/7/2008	\$68,736.00	\$74,328.00	Authorized to Recruit
HILO MEDICAL CENTER	PSYCH ACUTE-ADULT	55712	REGISTERED PROF NURSE III		10/7/2008	\$68,736.00	\$76,164.00	Authorized to Recruit
HILO MEDICAL CENTER	MED-SURG INTENSIVE CARE	55765	TELEMETRY TECHNICIAN FP		10/22/2008	\$36,828.00	\$36,828.00	Authorized to Recruit
HILO MEDICAL CENTER	COMPUTED TOMOGRAPHIC SCAN	55804	RADIOLOGY SPCLST II		12/2/2008	\$44,412.00	\$46,176.00	Authorized to Recruit
HILO MEDICAL CENTER	ULTRASONOGRAPHY	55810	RADIOLOGY SPCLST II		7/1/2006	\$44,412.00	\$41,059.20	Authorized to Recruit
HILO MEDICAL CENTER	ULTRASONOGRAPHY	55811	RADIOLOGY SPCLST II		7/1/2006	\$44,412.00		Authorized to Recruit
HILO MEDICAL CENTER	ULTRASONOGRAPHY	55813	RADIOLOGY MULTI SPCLST II		10/16/2007	\$46,176.00		Authorized to Recruit
HILO MEDICAL CENTER	UTILIZATION REVIEW	56002	SOCIAL WORKER IV		12/2/2008	\$45,576.00	\$45,576.00	Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL RECORDS	56034	HEALTH INFO TECH I		2/1/2007	\$28,836.00		Authorized to Recruit
HILO MEDICAL CENTER	MEDICAL STAFF ADMIN	56047	MEDICAL STAFF SVCS COORD		2/1/2007	\$51,312.00		Authorized to Recruit; incumbent TAing
HILO MEDICAL CENTER	MEDICAL RECORDS	56212	MEDICAL TRANSCRIPTIONIST		6/18/2007	\$30,036.00		Authorized to Recruit
HILO MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	56214	MEDICAL TRANSCRIPTIONIST		11/24/2008	\$30,036.00		Authorized to Recruit
HILO MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	56338	RADIOLOGIC TECH LEAD		2/27/2008	\$41,040.00		Authorized to Recruit; incumbent TAing
HILO MEDICAL CENTER	PATIENT ACCOUNTING	56339	HOSPITAL BILLING CLERK I		2/28/2008	\$26,700.00	\$26,707.02	Authorized to Recruit
HILO MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	56479	CLERK III		7/8/2008	\$25,668.00	\$25,668.00	Authorized to Recruit
HILO MEDICAL CENTER	CARDIOLOGY	56483	NURSE PRACTITIONER II		4/3/2008	\$93,972.00		Authorized to Recruit
HILO MEDICAL CENTER	HUMAN RESOURCES	56498	PERSONNEL MGMT SPECIALIST V		5/15/2008	\$51,312.00		Authorized to Recruit; incumbent TAing
HILO MEDICAL CENTER	HOSPITAL ADMINISTRATION	56500	HOSPITAL MANAGEMENT OFFICER		8/20/2008	\$97,176.00		Authorized to Recruit

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HILO MEDICAL CENTER	EMERGENCY SERVICES	56502	REGISTERED PROF NURSE IV		9/16/2008	\$74,328.00		Authorized to Recruit; Grievance settlement.
HILO MEDICAL CENTER	EMERGENCY SERVICES	56503	REGISTERED PROF NURSE IV		9/16/2008	\$74,328.00		Authorized to Recruit; Grievance settlement.
HILO MEDICAL CENTER	EMERGENCY SERVICES	56504	REGISTERED PROF NURSE IV		9/16/2008	\$74,328.00		Authorized to Recruit; Grievance settlement.
HILO MEDICAL CENTER	EMERGENCY SERVICES	56505	REGISTERED PROF NURSE IV		9/16/2008	\$74,328.00		Authorized to Recruit; Grievance settlement.
HILO MEDICAL CENTER	EMERGENCY SERVICES	56506	REGISTERED PROF NURSE IV		9/16/2008	\$74,328.00		Authorized to Recruit; Grievance settlement.
HILO MEDICAL CENTER	EMERGENCY SERVICES	56508	REGISTERED PROF NURSE III		10/7/2008	\$68,736.00		Authorized to Recruit
HILO MEDICAL CENTER	DIETARY	56514	COOK III		11/6/2008	\$43,788.00		Authorized to Recruit
HILO MEDICAL CENTER	ADMITTING	56515	ADMITTING CLERK I		11/8/2008	\$13,678.00		Authorized to Recruit; position at 50%.
HILO MEDICAL CENTER	FLOAT POOL	56518	CLERK IV		12/1/2008	\$27,756.00		Authorized to Recruit, incumbent TAing
HILO MEDICAL CENTER	NURSING ADMIN-ICF	56519	REGISTERED PROF NURSE IV		12/5/2008	\$74,328.00		Authorized to Recruit
HILO MEDICAL CENTER	ONCOLOGY ACUTE	102799	STUDENT HELPER I	Exempt	11/27/2008	\$7.25	\$7.25	Authorized to Recruit
HILO MEDICAL CENTER	SURGICAL ACUTE	108688	PER DIEM NURSE	Exempt	2/27/2008	\$36.62	\$36.62	Authorized to Recruit
HILO MEDICAL CENTER	EMERGENCY SERVICES	109057	PER DIEM CNA	Exempt	5/2/2008	\$18.35	\$18.35	Not authorized to recruit
HILO MEDICAL CENTER	ORTHOPEDIC-ACUTE	109182	STAFF SURGEON	Exempt	8/1/2006	\$250,500.00	\$300,000.00	Not authorized to recruit
HILO MEDICAL CENTER	ORTHOPEDIC-ACUTE	109184	STAFF SURGEON	Exempt	7/1/2005	\$250,500.00		Not authorized to recruit
HILO MEDICAL CENTER	HOSPITALIST	109224	STAFF PHYSICIAN	Exempt	4/16/2006	\$250,500.00		Not authorized to recruit
HILO MEDICAL CENTER	MEDICAL PHYSICIANS	109295	STAFF PHYSICIAN	Exempt	4/3/2007	\$250,500.00		Not authorized to recruit
HILO MEDICAL CENTER	PEDIATRIC OUTPATIENT CLINIC	109309	STAFF PHYSICIAN	Exempt	12/16/2007	\$250,500.00		Authorized to Recruit
HILO MEDICAL CENTER	PEDIATRIC OUTPATIENT CLINIC	109310	STAFF PHYSICIAN	Exempt	12/16/2007	\$250,500.00		Authorized to Recruit
HILO MEDICAL CENTER	CARDIOLOGY	109313	STAFF PHYSICIAN	Exempt	4/22/2008	\$250,500.00		Not authorized to recruit
KAU HOSPITAL	HOUSEKEEPING	23001	JANITOR II		12/17/2008	\$32,856.00	\$32,856.00	Authorized to Recruit
KAU HOSPITAL	RADIOLOGY-DIAGNOSTIC	56320	RADIOLOGIC TECH FP		6/29/2008	\$18,984.00		Authorized to Recruit; position at 50% FTE
KAU HOSPITAL	SNF/ICF	56520	REGISTERED PROF NURSE III		12/5/2008	\$68,736.00		Authorized to Recruit
KOHALA HOSPITAL	SKILLED NURSING CARE	20172	CERTIFIED NURSE AIDE FP		12/4/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
KOHALA HOSPITAL	DIETARY	20180	KITCHEN HELPER		12/1/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
KOHALA HOSPITAL	RADIOLOGY-DIAGNOSTIC	20190	RADIOLOGIC TECH FP		11/22/2008	\$ 37,968.00	\$ 41,040.00	Authorized to Recruit
KOHALA HOSPITAL	SKILLED NURSING CARE	28733	LICENSED PRACTICAL NURSE FP		12/1/2008	\$ 36,828.00	\$ 35,004.00	Not authorized to recruit; to be abolished
KOHALA HOSPITAL	GENERAL ACCOUNTING	56289	CREDIT & COLLECTION CLERK		10/16/2007	\$ 31,212.00	\$0	TA only at this time
KOHALA HOSPITAL	PLANT MAINTENANCE	56578	CONSTR & MAINT WORKER I		12/22/2008	\$ 43,824.00	\$0	Authorized to Recruit

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KOHALA HOSPITAL	MED-SURG ACUTE	108653	PER DIEM NURSE	Exempt	11/27/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
KOHALA HOSPITAL	MED-SURG ACUTE	108655	PER DIEM NURSE	Exempt	9/28/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
KOHALA HOSPITAL	MED-SURG ACUTE	108657	PER DIEM NURSE	Exempt	2/15/2003	\$ 36.62	\$ 26.25	Authorized to Recruit
KOHALA HOSPITAL	SKILLED NURSING CARE	109108	PER DIEM LPN	Exempt	8/1/2008	\$ 21.44	\$ 21.44	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	20270	CERTIFIED NURSE AIDE ENTRY		8/13/2003	\$ 30,528.00	\$ 23,700.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	DIETARY	20278	KITCHEN HELPER		10/23/2008	\$0	\$ 32,856.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	OBSTETRICS ACUTE	21860	REGISTERED PROF NURSE III		4/5/2007	\$ 68,736.00	\$ 91,296.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	22368	RADIOLOGIC TECH LEAD		9/22/2008	\$ 41,040.00	\$ 30,888.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	25643	REGISTERED PROF NURSE VI		6/25/2008	\$ 80,376.00	\$ 83,555.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	25857	CERTIFIED NURSE AIDE ENTRY		12/27/2007	\$ 30,528.00	\$ 25,908.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	25859	EMERGENCY ROOM ASST FP		11/16/2006	\$0	\$ 32,844.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	25860	CERTIFIED NURSE AIDE ENTRY		10/24/2008	\$ 30,528.00	\$ 32,354.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	26144	REGISTERED PROF NURSE III		11/27/2008	\$ 68,736.00	\$ 74,328.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	26145	RADIOLOGIC TECH FP		11/1/2008	\$ 37,968.00	\$ 49,932.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	LAUNDRY & LINEN	26150	LAUNDRY HELPER I		10/23/2008	\$0	\$ 32,856.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	30996	REGISTERED PROF NURSE III		12/16/2008	\$ 68,736.00	\$ 76,164.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	CENTRAL SVCS & SUPPLIES	31001	CENTRAL SUPPLY AIDE II		10/23/2008	\$0	\$ 26,700.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	31005	EMERGENCY ROOM ASST FP		10/22/2008	\$0	\$ 39,708.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	31015	EMERGENCY ROOM ASST FP		10/22/2008	\$0	\$ 36,828.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	COMPUTED TOMOGRAPHIC SCAN	31092	RADIOLOGY SPCLST II		5/8/2008	\$ 44,412.00	\$ 46,200.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	31100	CREDIT & COLLECTION CLERK		5/12/2008	\$ 31,212.00	\$ 31,212.00	TA only at this time
KONA COMMUNITY HOSPITAL	INSERVICE EDUC-NURSING	34001	REGISTERED PROF NURSE III		11/21/2008	\$ 68,736.00	\$ 78,072.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	34191	CLERK TYPIST II		10/23/2008	\$0	\$ 27,732.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	PHARMACY	34199	PHARMACY TECHNICIAN ENTRY	Casual Hire	3/19/2007	\$0	\$14.68	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	GROUNDS	35444	GENERAL LABORER II		9/23/2008	\$0	\$ 33,780.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	DIETARY	35775	KITCHEN HELPER		8/13/2008	\$0	\$ 32,856.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	35788	CLERK TYPIST II	Casual Hire	8/25/2006	\$0	\$12.34	Not authorized to recruit;Rif

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KONA COMMUNITY HOSPITAL	MEDICAL RECORDS	39856	CLERK III		8/13/2008	\$0	\$ 25,668.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	CENTRAL SVCS & SUPPLIES	40000	CENTRAL SUPPLY AIDE II		10/23/2008	\$0	\$ 32,424.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	40333	EMERGENCY ROOM ASST FP		10/22/2008	\$0	\$ 39,708.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	41569	CLERK TYPIST II		9/1/2006	\$0	\$ 11.87	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	COMPUTED TOMOGRAPHIC SCAN	41941	RADIOLOGY SPCLST II		10/16/2006	\$ 44,412.00	\$ 41,064.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SURG & RECVRY SVCS	42568	TRANSPORTER		8/13/2008	\$0	\$ 30,528.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	44662	HEALTH UNIT CLERK II		10/4/2008	\$ 27,756.00	\$ 35,064.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ULTRASONOGRAPHY	45383	RADIOLOGY SPCLST LEAD		11/5/2007	\$ 48,048.00	\$ 99,840.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HOUSEKEEPING	45396	JANITOR II		8/13/2008	\$0	\$ 32,856.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	45839	CREDIT & COLLECTION CLERK		9/2/2008	\$ 31,212.00	\$ 37,968.00	TA only at this time
KONA COMMUNITY HOSPITAL	MED-SURG INTENSIVE CARE	45972	HEALTH UNIT CLERK II		12/2/2008	\$ 27,756.00	\$ 39,480.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	CENTRAL SVCS & SUPPLIES	47079	CENTRAL SUPPLY AIDE II		6/21/2008	\$0	\$ 24,684.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	CENTRAL SVCS & SUPPLIES	47080	CENTRAL SUPPLY AIDE I		8/13/2008	\$0	\$ 23,688.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	LAUNDRY & LINEN	47397	LAUNDRY HELPER I		10/7/2008	\$0	\$ 32,856.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	48426	REGISTERED PROF NURSE III		12/4/2008	\$ 68,736.00	\$ 74,328.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	48471	REGISTERED PROF NURSE III		2/1/2008	\$ 68,736.00	\$ 66,096.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	PHARMACY	49193	PHARMACY TECHNICIAN FP		8/13/2008	\$0	\$ 34,440.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	49210	REGISTERED PROF NURSE III		3/22/2008	\$ 68,736.00	\$ 76,932.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MEDICAL RECORDS	49215	CLERK III		8/21/2008	\$0	\$ 26,700.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	PSYCH ACUTE-ADULT	49428	REGISTERED PROF NURSE III		6/12/2007	\$ 68,736.00	\$ 68,064.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	50224	CREDIT & COLLECTION CLERK		5/31/2008	\$ 30,012.00	\$ 46,200.00	TA only at this time
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	50225	CLERK III		11/3/2008	\$0	\$ 28,836.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	INFECTION CONTROL	50226	CLERK IV		10/22/2008	\$0	\$ 31,212.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	MED-SURG INTENSIVE CARE	50580	REGISTERED PROF NURSE IV		6/1/2007	\$ 74,328.00	\$ 79,236.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	DIETARY	51026	KITCHEN HELPER		12/16/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit

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KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	52222	CLERK TYPIST II		10/23/2008	\$0	\$ 33,756.00	Not authorized to recruit;Rif
KONA COMMUNITY HOSPITAL	DATA PROCESSING	53590	DATA PROC SYSTEMS ANALYST V		10/22/2008	\$0	\$ 73,044.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	53780	CLERK TYPIST II	Casual Hire	12/29/2007	\$0	\$18.98	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	53802	TRANSPORTER		9/25/2008	\$0	\$ 30,528.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	53803	TRANSPORTER		8/13/2008	\$0	\$ 30,528.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HUMAN RESOURCES	53856	PERSONNEL MGMT SPECIAL IST III		10/13/2008	\$0	\$ 47,412.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	PURCHASING & STORES	53863	STORES CLERK II		10/23/2008	\$0	\$ 26,700.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	DATA PROCESSING	53912	DATA PROC SYSTEMS ANALYST IV		10/23/2008	\$0	\$ 47,412.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	MEDICAL RECORDS	53917	CLERK III		8/13/2008	\$0	\$ 25,668.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	53918	CLERK III		10/21/2008	\$0	\$ 30,036.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HOSPITAL ADMINISTRATION	53952	SECRETARY II		10/23/2008	\$0	\$ 33,756.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	PSYCH ACUTE-ADULT	54002	REGISTERED PROF NURSE III		8/4/2008	\$ 68,736.00	\$ 78,072.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	PSYCH ACUTE-ADULT	54008	HEALTH UNIT CLERK II		8/28/2007	\$ 27,756.00	\$ 30,012.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	PSYCH ACUTE-ADULT	54188	CERTIFIED NURSE AIDE FP		12/16/2007	\$ 32,364.00	\$ 29,016.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	54197	LICENSED PRACTICAL NURSE ENTRY		10/21/2008	\$ 34,440.00	\$ 34,440.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MEDICAL RECORDS	54286	CLERK III		8/20/2008	\$0	\$ 28,836.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	54292	CLERK TYPIST II		10/23/2008	\$0	\$ 30,036.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	54321	CERTIFIED NURSE AIDE FP		12/17/2007	\$ 32,364.00	\$ 30,756.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	QUALITY MANAGEMENT	54358	SECRETARY II		11/10/2008	\$0	\$ 35,064.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	EMERGENCY SERVICES	54446	EMERGENCY ROOM ASST FP		10/23/2008	\$0	\$ 36,828.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	54532	CERTIFIED NURSE AIDE ENTRY		11/16/2006	\$ 30,528.00	\$ 27,216.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	54533	CERTIFIED NURSE AIDE ENTRY		12/19/2001	\$ 30,528.00	\$ 13.41	Authorized to Recruit

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KONA COMMUNITY HOSPITAL	DIETARY	54619	DIETITIAN IV		11/3/2008	\$0	\$ 64,920.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	SOCIAL WORK SVCS	54694	CLERK III		10/23/2008	\$0	\$ 28,836.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HOSPITAL ADMINISTRATION	54797	CLERK II		2/21/2002	\$0	\$ 11.39	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HUMAN RESOURCES	54802	PERSONNEL MGMT SPECIALIST III		11/6/2008	\$0	\$ 55,500.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	DIETARY	54863	KITCHEN HELPER		8/13/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	PSYCH ACUTE-ADULT	55170	CERTIFIED NURSE AIDE ENTRY		3/14/2008	\$ 30,528.00	\$ 3,116.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	55396	CERTIFIED NURSE AIDE FP		8/31/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	55398	REGISTERED PROF NURSE III		11/29/2008	\$ 68,736.00	\$ 68,736.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HOUSEKEEPING	55439	JANITOR II		9/25/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	SOCIAL WORK SVCS	55443	SOCIAL WORKER III		8/15/2008	\$0	\$ 40,512.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	PLANT MAINTENANCE	55483	CLERK TYPIST II		10/1/2008	\$0	\$ 39,460.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HOUSEKEEPING	55522	INSTITUTION HOUSEKEEPER I		10/23/2008	\$0	\$ 37,836.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	PLANT MAINTENANCE	55523	CONSTR & MAINT WORKER II		7/16/2008	\$ 48,168.00	\$ 48,168.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	55557	REGISTERED PROF NURSE III		8/4/2008	\$ 68,736.00	\$ 74,328.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	PLANT MAINTENANCE	55637	BLDG MAINT WORKER I		5/1/2008	\$ 43,824.00	\$ 42,144.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	RESPIRATORY THERAPY	55651	RESPIRATORY THERAPY AIDE FP		2/2/2006	\$ 34,440.00	\$0	Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	55753	REGISTERED PROF NURSE II		9/2/2008	\$ 57,828.00	\$ 57,828.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	RESPIRATORY THERAPY	55828	RESPIRATORY THERAPY AIDE FP		7/1/2006	\$ 34,440.00	\$0	Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	PHARMACY	55830	PHARMACY TECHNICIAN ENTRY		12/7/2006	\$0	\$15.56	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	RADIOLOGY-DIAGNOSTIC	55834	RADIOLOGIC TECH FP		7/1/2006	\$ 44,412.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ULTRASONOGRAPHY	55847	RADIOLOGY MULTI SPCLST II		7/1/2006	\$ 46,176.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ULTRASONOGRAPHY	55848	RADIOLOGY MULTI SPCLST II		7/1/2006	\$ 46,176.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	55957	TELEMETRY TECHNICIAN ENTRY		11/1/2006	\$ 32,440.00	\$0	Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56000	REGISTERED PROF NURSE II		5/7/2008	\$ 57,828.00	\$ 66,096.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56001	REGISTERED PROF NURSE III		4/25/2008	\$ 68,736.00	\$ 66,096.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56006	REGISTERED PROF NURSE III		7/16/2008	\$ 68,736.00	\$ 57,828.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56107	NURSE AIDE ENTRY	Casual Hire	3/19/2007	\$ 30,528.00	\$ 13.41	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56108	NURSE AIDE ENTRY	Casual Hire	3/19/2007	\$ 30,528.00	\$ 13.41	Authorized to Recruit

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Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56109	NURSE AIDE ENTRY	Casual Hire	3/19/2007	\$ 30,528.00	\$ 13.41	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	56110	NURSE AIDE ENTRY	Casual Hire	3/19/2007	\$ 30,528.00	\$ 13.41	Authorized to Recruit
KONA COMMUNITY HOSPITAL	LAUNDRY & LINEN	56116	LAUNDRY HELPER I		10/23/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	HOUSEKEEPING	56117	JANITOR II		8/16/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	56280	PATIENT FINANCIAL COUNSELOR		10/10/2007	\$ 33,756.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	INSERVICE EDUC-NURSING	56288	CLERK IV		11/6/2008	\$0	\$ 32,424.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	OBSTETRICS ACUTE	56292	HEALTH UNIT CLERK I		5/16/2008	\$ 25,668.00	\$ 24,684.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HOUSEKEEPING	56300	JANITOR II		8/13/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	LAUNDRY & LINEN	56401	LAUNDRY HELPER I		7/1/2008	\$0	\$ 32,856.00	Not Authorized to Recruit;Rif
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	56403	CERTIFIED NURSE AIDE ENTRY		12/2/2008	\$ 30,528.00	\$ 30,528.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MED-SURG ACUTE	56409	CERTIFIED NURSE AIDE ENTRY		7/3/2008	\$ 30,528.00	\$ 30,528.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	56415	CERTIFIED NURSE AIDE FP		8/16/2008	\$ 32,364.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ONCOLOGY	56416	HEALTH UNIT CLERK II		12/13/2008	\$ 27,755.00	\$ 36,516.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	DIETARY	56417	KITCHEN HELPER	Casual Hire	9/16/2008	\$ 32,856.00	\$16.60	Not Authorized to Recruit;to be abolished
KONA COMMUNITY HOSPITAL	MEDICAL RECORDS	56418	HEALTH INFO TECH II		9/16/2008	\$ 31,212.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	56424	ACCOUNT CLERK III		10/23/2008	\$ 28,836.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	56425	ACCOUNT CLERK III		10/23/2008	\$ 28,836.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	SKILLED NURSING CARE	56576	REGISTERED PROF NURSE III		10/30/2008	\$ 68,736.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ADMITTING	56580	ADMITTING CLERK I		11/16/2008	\$ 27,756.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ADMITTING	56581	ADMITTING CLERK I		11/16/2008	\$27,756.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	ADMITTING	56582	ADMITTING CLERK I		11/16/2008	\$ 27,756.00	\$0	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HOSPITAL ADMINISTRATION	101605	REGIONAL CEO	Exempt	4/1/2008	\$ 230,000.00	\$ 218,000.00	Authorized to Recruit
KONA COMMUNITY HOSPITAL	GENERAL ACCOUNTING	105983	STUDENT HELPER I	Exempt	2/27/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HUMAN RESOURCES	108606	STUDENT HELPER II	Exempt	6/24/2007	\$ 7.50	\$ 7.50	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108617	PER DIEM NURSE	Exempt	6/16/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108618	PER DIEM NURSE	Exempt	9/13/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108619	PER DIEM NURSE	Exempt	4/11/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	OBSTETRICS ACUTE	108626	PER DIEM NURSE	Exempt	2/18/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108627	PER DIEM NURSE	Exempt	9/11/2007	\$ 36.62	\$ 35.21	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108628	PER DIEM NURSE	Exempt	8/4/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
KONA COMMUNITY HOSPITAL	OBSTETRICS ACUTE	108631	PER DIEM NURSE	Exempt	8/16/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108632	PER DIEM NURSE	Exempt	11/20/2008	\$ 36.62	\$ 36.62	Authorized to Recruit

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KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	108636	PER DIEM NURSE	Exempt	2/11/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	HUMAN RESOURCES	108930	STUDENT HELPER II	Exempt	6/30/2007	\$ 7.50	\$ 7.50	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109040	PER DIEM LPN	Exempt	6/29/2007	\$ 21.44	\$ 19.60	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109043	PER DIEM CNA	Exempt	6/7/2008	\$ 18.35	\$ 17.65	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109044	PER DIEM CNA	Exempt	9/15/2008	\$ 18.35	\$ 18.35	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109045	PER DIEM LPN	Exempt	1/7/2007	\$ 21.44	\$ 19.12	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109059	PER DIEM NURSE	Exempt	3/24/2008	\$ 36.62	\$ 35.21	Authorized to Recruit
KONA COMMUNITY HOSPITAL	MEDICAL-PHYSICIANS	109207	STAFF SURGEON	Exempt	5/12/2008	\$0	\$ 280,000.00	Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	MEDICAL-PHYSICIANS	109279	ASST ADMR MEDICAL GRP PRAC DIR	Exempt	4/1/2008	\$0	\$ 120,000.00	Not Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109286	PER DIEM NURSE	Exempt	6/11/2008	\$ 36.62	\$ 33.53	Authorized to Recruit
KONA COMMUNITY HOSPITAL	QUALITY MANAGEMENT	109308	PER DIEM NURSE	Exempt	7/15/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
KONA COMMUNITY HOSPITAL	NURSING ADMIN-ACUTE	109311	PER DIEM NURSE	Exempt	6/1/2008	\$ 36.62	\$ 23.37	Authorized to Recruit
KULA HOSPITAL	HOUSEKEEPING	19968	JANITOR II		12/1/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
KULA HOSPITAL	HOUSEKEEPING	19980	JANITOR II		7/16/2008	\$ 32,856.00	\$ 31,596.00	Authorized to Recruit
KULA HOSPITAL	HOUSEKEEPING	19993	JANITOR II		12/1/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
KULA HOSPITAL	DIETARY	19996	KITCHEN HELPER		7/1/2008	\$ 32,856.00	\$ 32,484.00	Authorized to Recruit
KULA HOSPITAL	DIETARY	20002	KITCHEN HELPER		11/13/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
KULA HOSPITAL	OCCUPATIONAL THERAPY	20020	OCCUPATIONAL THERAPIST IV		8/16/2007	\$ 70,000.00	\$ 65,496.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	20061	CERTIFIED NURSE AIDE FP		12/1/2008	\$ 32,364.00	\$ 36,468.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	20090	CERTIFIED NURSE AIDE ENTRY		10/13/2007	\$ 32,364.00	\$ 34,560.00	Authorized to Recruit
KULA HOSPITAL	RADIOLOGY-DIAGNOSTIC	23651	RADIOLOGIC TECH FP		4/16/2008	\$ 25.50	\$ 25.50	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	26447	CERTIFIED NURSE AIDE FP		4/25/2008	\$ 32,856.00	\$ 35,412.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	47771	REGISTERED PROF NURSE III		5/28/2008	\$ 74,328.00	\$ 66,096.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	47772	REGISTERED PROF NURSE III		7/1/2008	\$ 74,328.00	\$ 73,236.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	53671	CERTIFIED NURSE AIDE FP		8/23/2008	\$ 32,364.00	\$ 36,168.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	53674	CERTIFIED NURSE AIDE ENTRY		12/14/2008	\$ 32,364.00	\$ 32,580.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	54032	REGISTERED PROF NURSE III		8/1/2007	\$ 74,328.00	\$ 75,072.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	54041	CERTIFIED NURSE AIDE ENTRY		8/1/2002	\$ 30,528.00	\$ 14.11	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	54042	CERTIFIED NURSE AIDE ENTRY		3/21/2008	\$ 30,528.00	\$ 29,568.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	55501	REGISTERED PROF NURSE III		11/16/2008	\$ 74,328.00	\$ 76,164.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	55873	REGISTERED PROF NURSE III		1/21/2008	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	56187	CERTIFIED NURSE AIDE ENTRY		3/1/2007	\$ 30,528.00	\$ 13.41	Authorized to Recruit
KULA HOSPITAL	CLINICAL LAB SVCS	56533	MEDICAL TECHNOLOGIST III		11/1/2008	\$ 28.86	\$ -	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	106308	STUDENT HELPER I	Exempt	12/20/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	108585	STUDENT HELPER I	Exempt	5/15/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	108960	PER DIEM CNA	Exempt	11/2/2007	\$ 18.35	\$ 17.45	Authorized to Recruit
KULA HOSPITAL	SNF-ICF SWING	109054	PER DIEM NURSE	Exempt	8/23/2008	\$ 37.17	\$ 36.62	Authorized to Recruit
LANAI COMMUNITY HOSP	INTERMEDIATE CARE	22642	CERTIFIED NURSE AIDE ENTRY		7/16/2002	\$ 32,364.00	\$ 13.41	Authorized to Recruit

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LANAI COMMUNITY HOSP	CLINICAL LAB SVCS	23012	MEDICAL TECHNOLOGIST III		11/26/2007	\$ 60,024.00	\$ 51,552.00	Authorized to Recruit
LANAI COMMUNITY HOSP	MEDICAL ACUTE	23030	REGISTERED PROF NURSE III		11/21/2005	\$ 74,328.00	\$ 64,776.00	Authorized to Recruit
LANAI COMMUNITY HOSP	MEDICAL ACUTE	23644	CERTIFIED NURSE AIDE FP		7/2/2001	\$ 32,364.00	\$ 12.46	Authorized to Recruit
LANAI COMMUNITY HOSP	DIETARY	54829	KITCHEN HELPER		3/25/2002	\$ 32,856.00	\$ 15.80	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	19669	REGISTERED PROF NURSE V		4/1/2008	\$ 92,208.00	\$ 82,356.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	19686	REGISTERED PROF NURSE II		9/16/2008	\$ 74,328.00	\$ 76,164.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	19733	NURSE AIDE FP		11/27/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL ACUTE	19750	NURSE AIDE FP		12/17/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CLINICAL LAB SVCS	19776	MEDICAL TECHNOLOGIST IV		12/31/2007	\$ 64,920.00	\$ 64,380.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ANESTHESIOLOGY	19788	REGISTERED PROF NURSE III		7/21/2007	\$ 74,328.00	\$ 119,880.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	19791	HEALTH INFO ADMR		10/1/2007	\$ 66,984.00	\$ 77,172.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	19819	BLDG MAINT WORKER II		7/8/2003	\$ 46,500.00	\$ 18.31	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	19824	BLDG & GRDS UTILITY WORKER		5/31/2008	\$ 36,540.00	\$ 31,596.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	19828	JANITOR II		5/3/2008	\$ 32,856.00	\$ 31,596.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	19835	JANITOR II		4/16/2008	\$ 32,856.00	\$ 31,596.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	GENERAL ACCOUNTING	19847	ACCOUNTANT V		3/17/2008	\$ 62,424.00	\$ 60,024.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	19849	ADMITTING CLERK I		11/2/2007	\$ 27,756.00	\$ 30,012.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PURCHASING & STORES	21574	PROCUREMENT & SUPPLY SPCLT III		7/25/2008	\$ 49,332.00	\$ 55,488.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OBSTETRICS ACUTE	21637	HEALTH UNIT CLERK II		1/20/2008	\$ 27,756.00	\$ 32,460.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CLINICAL LAB SVCS	22421	MEDICAL TECHNOLOGIST IV		12/31/2007	\$ 64,920.00	\$ 65,388.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	22663	ADMITTING CLERK I		9/19/2007	\$ 27,756.00	\$ 26,688.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	22827	AIR CONDITIONING MECHANIC I		5/1/2007	\$ 45,492.00	\$ 41,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	22829	KITCHEN HELPER		12/17/2007	\$ 32,856.00	\$ 31,236.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	22900	REGISTERED PROF NURSE IV		4/2/2007	\$ 81,972.00	\$ 73,596.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	26887	LICENSED PRACTICAL NURSE FP		12/31/2003	\$ 38,256.00	\$ 35,580.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OBSTETRICS ACUTE	29030	REGISTERED PROF NURSE III		11/1/2007	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	29050	RADIOLOGY SUPVR		7/1/2008	\$ 81,216.00	\$ 81,216.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CLINICAL LAB SVCS	30846	MEDICAL TECHNOLOGIST III		7/16/2007	\$ 51,792.00	\$ 56,796.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DRUGS SOLD TO PATIENTS	32071	PHARMACIST I		2/14/2008	\$ 103,992.00	\$ 103,992.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	32103	CLERK IV		11/15/2008	\$ 27,756.00	\$ 27,756.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PURCHASING & STORES	34082	PURCHASING TECHNICIAN I		7/19/2007	\$ 28,836.00	\$ 44,424.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	34230	SURGICAL TECHNICIAN FP		7/21/2006	\$ 42,912.00	\$ 37,188.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CLINICAL LAB SVCS	35302	MEDICAL TECHNOLOGIST III		4/1/2008	\$ 51,792.00	\$ 60,816.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	36202	REGISTERED PROF NURSE III		8/7/2008	\$ 74,328.00	\$ 78,072.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	37878	CLERK III		8/30/2008	\$ 25,668.00	\$ 32,424.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SECURITY	38074	SECURITY OFFICER I		2/1/2008	\$ 31,212.00	\$ 31,176.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	38746	CREDIT & COLLECTION CLERK		5/20/2008	\$ 31,212.00	\$ 33,720.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	39999	OCCUPATIONAL THERAPIST V		10/4/2008	\$ 75,000.00	\$ 74,256.00	Authorized to Recruit

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MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	41526	REGISTERED PROF NURSE III		12/9/2008	\$ 74,328.00	\$ 78,072.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	44513	REGISTERED PROF NURSE III		7/28/2007	\$ 74,328.00	\$ 68,064.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DATA PROCESSING	44913	DATA PROC SYSTEMS ANALYST IV		5/1/2008	\$ 49,332.00	\$ 51,300.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DATA PROCESSING	44914	DATA PROC SYSTEMS ANALYST IV		5/1/2008	\$ 49,332.00	\$ 51,300.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	45836	MEDICAL TRANSCRIPTIONIST		5/4/2008	\$ 30,036.00	\$ 28,884.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADOLEST CHILD	46505	REGISTERED PROF NURSE III		11/25/2007	\$ 74,328.00	\$ 68,096.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	46506	REGISTERED PROF NURSE III		10/14/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	50636	PSYCHIATRIC AIDE FP		11/8/2007	\$ 34,440.00	\$ 32,736.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG ACUTE	51500	NURSE AIDE FP		10/9/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	53492	ADMITTING CLERK I		11/4/1998	\$ 27,756.00	\$ 12.33	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	53611	MEDICAL TRANSCRIPTIONIST		4/30/2004	\$ 30,036.00	\$ 13.89	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	53717	TRANSPORTER		12/5/2008	\$ 30,528.00	\$ 30,528.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIALYSIS	53838	REGISTERED PROF NURSE IV		8/13/2007	\$ 85,248.00	\$ 77,280.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	53858	NURSE AIDE FP		9/13/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	53920	REGISTERED PROF NURSE III		2/19/2008	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DRUGS SOLD TO PATIENTS	53957	PHARMACIST I		1/9/2008	\$ 103,992.00	\$ 103,992.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	54023	CREDIT & COLLECTION CLERK		8/1/2008	\$ 31,212.00	\$ 36,516.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	54024	CREDIT & COLLECTION CLERK		7/10/2008	\$ 31,212.00	\$ 33,720.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DATA PROCESSING	54109	DATA PROC SYSTEMS ANALYST V		4/16/2008	\$ 55,500.00	\$ 66,660.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADULT	54122	HEALTH UNIT CLERK I		12/3/2007	\$ 25,668.00	\$ 27,732.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	54128	KITCHEN HELPER		12/17/2007	\$ 32,856.00	\$ 31,236.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	54324	HEALTH UNIT CLERK I		12/15/2003	\$ 25,668.00	\$ 12.34	Authorized to Recruit
MAUI MEM MEDICAL CENTER	COMPUTED TOMOGRAPHIC SCAN	54453	RADIOLOGY SPLST II		11/14/2007	\$ 61,380.00	\$ 63,924.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	54513	CLERK III		3/4/2008	\$ 25,668.00	\$ 24,684.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	54514	CLERK III		2/25/2007	\$ 25,668.00	\$ 23,736.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	54596	BLDG MAINT WORKER I		4/3/2008	\$ 43,824.00	\$ 42,144.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	54732	JANITOR II		10/7/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	54819	REGISTERED PROF NURSE III		9/4/2008	\$ 74,328.00	\$ 68,736.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OBSTETRICS ACUTE	54840	REGISTERED PROF NURSE III		9/16/2007	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OTHER MED-SURG ACUTE	54880	REGISTERED PROF NURSE II		12/18/2008	\$ 74,328.00	\$ 57,828.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	BIOMED	54923	BIOMED ENG TECH I		10/3/2005	\$ 47,148.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ANGIOCARDIOGRAPHY	55057	REGISTERED PROF NURSE III		6/30/2008	\$ 74,328.00	\$ 68,736.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55114	REGISTERED PROF NURSE III		10/22/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	55137	CREDIT & COLLECTION CLERK		11/29/2008	\$ 31,212.00	\$ 31,212.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADOLEST CHILD	55181	NURSE AIDE ENTRY		10/16/2008	\$ 32,364.00	\$ 30,528.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55186	NURSE AIDE FP		9/20/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OTHER MED-SURG ACUTE	55190	NURSE AIDE FP		6/24/2008	\$ 32,364.00	\$ 31,116.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	55203	REGISTERED PROF NURSE III		9/2/2008	\$ 74,328.00	\$ 53,052.00	Authorized to Recruit

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Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	55204	REGISTERED PROF NURSE III		9/2/2008	\$ 74,328.00	\$ 53,052.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	55206	REGISTERED PROF NURSE III		9/3/2008	\$ 74,328.00	\$ 53,052.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55225	NURSE AIDE FP		9/15/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	55253	HOSPITAL BILLG & COLL SUPVR		8/26/2005	\$ 36,516.00	\$ 30,276.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING ADMIN-ACUTE	55270	REGISTERED PROF NURSE VI		8/23/2007	\$ 91,296.00	\$ 87,780.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	55280	OPERATING ROOM AIDE ENTRY		10/27/2008	\$ 32,364.00	\$ 30,528.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55359	TRANSPORTER		5/5/2008	\$ 30,528.00	\$ 29,352.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	55369	ADMITTING CLERK I		1/1/2005	\$ 27,756.00	\$ 13.34	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	55394	ADMITTING CLERK II		3/16/2005	\$ 30,036.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	55416	RADIOLOGIC TECH FP		7/2/2008	\$ 53,040.00	\$ 54,504.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PURCHASING & STORES	55434	PROCUREMENT & SUPPLY SPCLT I		7/1/2005	\$ 36,024.00	\$ 26.68	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	55438	RADIOLOGIC TECH FP		7/1/2005	\$ 25.50	\$ 25.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CHEMOTHERAPY	55463	HEALTH UNIT CLERK II		8/3/2006	\$ 27,756.00	\$ 24,792.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	55481	HEALTH INFO TECH I		9/1/2005	\$ 28,836.00	\$ 13.86	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	55488	CLERK III		9/16/2005	\$ 25,668.00	\$ 11.87	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	55496	HOSP ENVIR/SAFETY OFCR V		10/1/2005	\$ 75,960.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CHEMOTHERAPY	55555	REGISTERED PROF NURSE III		12/3/2007	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PSYCH ACUTE-ADOLEST CHILD	55560	PSYCHIATRIC AIDE FP		8/1/2008	\$ 34,440.00	\$ 34,440.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	55577	RADIOLOGIC TECH ENTRY		6/3/2008	\$ 53,040.00	\$ 53,040.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55582	PHYSICAL THERAPIST III		12/1/2005	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55583	PHYSICAL THERAPIST III		12/1/2005	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55585	PHYSICAL THERAPIST III		12/1/2005	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PURCHASING & STORES	55597	CONTRACTS MANAGER I		8/9/2007	\$ 51,312.00	\$ 62,424.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	55599	REG COMPL & PRIVACY OFFCR		12/16/2005	\$ 51,312.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	55623	CLERK IV		12/15/2008	\$ 27,756.00	\$ 28,836.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55625	REGISTERED PROF NURSE III		4/27/2008	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55627	REGISTERED PROF NURSE III		8/23/2007	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55628	REGISTERED PROF NURSE III		11/10/2008	\$ 74,328.00	\$ 76,164.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55629	REGISTERED PROF NURSE III		2/2/2007	\$ 74,328.00	\$ 61,716.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	INSERVICE EDUC-NURSING	55630	REGISTERED PROF NURSE III		11/15/2007	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	55631	REGISTERED PROF NURSE III		1/8/2008	\$ 74,328.00	\$ 66,096.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	55673	OCCUPATIONAL THERAPIST III		2/16/2006	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	55697	MANAGEMENT ANALYST V		11/10/2008	\$ 51,312.00	\$ 70,224.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	55727	SURGICAL TECHNICIAN FP		5/4/2006	\$ 20.63	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55731	CASHIER CLERK		5/16/2006	\$ 25,668.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55732	CASHIER CLERK		5/16/2006	\$ 25,668.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55733	CASHIER CLERK		5/16/2006	\$ 25,668.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55734	CASHIER CLERK		5/16/2006	\$ 25,668.00	\$ -	Authorized to Recruit

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MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	55735	SURGICAL TECHNICIAN FP		10/11/2008	\$ 42,912.00	\$ 40,392.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55737	INSTITUTION FOOD SVCS MGR III		5/16/2006	\$ 49,044.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MAGNETIC RESONANCE IMAGING	55774	RADIOLOGY SPCLST II		7/1/2006	\$ 31.86	\$ 32.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MAGNETIC RESONANCE IMAGING	55775	RADIOLOGY SPCLST II		7/1/2006	\$ 31.86	\$ 32.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ULTRASONOGRAPHY	55777	RADIOLOGY SPCLST II		8/30/2008	\$ 71,496.00	\$ 73,200.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ULTRASONOGRAPHY	55780	RADIOLOGY SPCLST II		7/1/2006	\$ 34.37	\$ 34.37	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ECHOCARDIOLOGY	55783	RADIOLOGY SPCLST II		7/1/2008	\$ 67,596.00	\$ 76,068.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	55823	TELEMETRY TECHNICIAN FP		7/1/2006	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	55824	TELEMETRY TECHNICIAN FP		7/1/2006	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	TRANS IP-ACUTE-WAITLIST	55825	TELEMETRY TECHNICIAN FP		7/1/2006	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CHEMOTHERAPY	55852	TUMOR REGISTRAR SPCLST III		5/31/2008	\$ 42,132.00	\$ 26,688.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55871	PHYSICAL THERAPIST III		7/16/2006	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55872	PHYSICAL THERAPIST III		7/16/2006	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG ACUTE	55877	REGISTERED PROF NURSE III		8/20/2008	\$ 74,328.00	\$ 68,736.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SOCIAL WORK SVCS	55899	SOCIAL WORKER IV		11/15/2008	\$ 53,724.00	\$ 57,156.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DIETARY	55907	DIETARY AIDE		9/1/2006	\$ 33,780.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	55915	JANITOR II		7/22/2008	\$ 32,856.00	\$ 32,856.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	55916	JANITOR II		6/21/2008	\$ 32,856.00	\$ 31,596.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	55919	JANITOR III		10/15/2007	\$ 34,968.00	\$ 33,072.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOUSEKEEPING	55920	JANITOR III		3/1/2008	\$ 34,968.00	\$ 33,072.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PHYSICAL THERAPY	55996	PHYSICAL THERAPIST ASST FP		12/16/2006	\$ 21.05	\$ 21.05	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	56014	OCCUPATIONAL THERAPIST III		1/16/2007	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	56017	MANAGEMENT ANALYST III		1/16/2007	\$ 42,132.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	56018	MANAGEMENT ANALYST IV		1/16/2007	\$ 45,576.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	56052	PLUMBER I		2/1/2007	\$ 45,492.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	56053	AIR CONDITIONING MECHANIC II		2/1/2007	\$ 46,168.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	56055	CLERK III		2/1/2007	\$ 25,668.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	56057	HOSP ENVIR/SAFETY OFCR III		2/1/2007	\$ 55,500.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DRUGS SOLD TO PATIENTS	56185	PHARMACIST I		3/1/2007	\$ 103,992.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	56234	REGISTERED PROF NURSE III		12/17/2008	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OBSTETRICS ACUTE	56249	REGISTERED PROF NURSE III		5/22/2008	\$ 74,328.00	\$ 71,472.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OBSTETRICS ACUTE	56250	REGISTERED PROF NURSE II		9/4/2007	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RESPIRATORY THERAPY	56260	RESPIRATORY THERAPY TECH FP		7/1/2007	\$ 26.05	\$ 26.05	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG ACUTE	56266	REGISTERED PROF NURSE III		8/1/2007	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PLANT MAINTENANCE	56271	VAN DRIVER		7/8/2008	\$ 36,540.00	\$ 35,136.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	56274	MEDICAL TRANSCRIPTIONIST		12/1/2007	\$ 14.44	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	56275	MEDICAL TRANSCRIPTIONIST		12/1/2007	\$ 14.44	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING ADMIN-ACUTE	56353	REGISTERED PROF NURSE IV		12/16/2007	\$ 81,972.00	\$ -	Authorized to Recruit

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MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56354	LICENSED PRACTICAL NURSE ENTRY		9/4/2008	\$ 38,256.00	\$ 36,732.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56355	LICENSED PRACTICAL NURSE FP		9/3/2008	\$ 38,256.00	\$ 39,672.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56356	NURSE AIDE FP		8/4/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56357	NURSE AIDE FP		9/3/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56358	NURSE AIDE FP		8/6/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56359	REGISTERED PROF NURSE III		9/5/2008	\$ 74,328.00	\$ 76,164.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56360	REGISTERED PROF NURSE III		9/3/2008	\$ 74,328.00	\$ 71,484.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56362	REGISTERED PROF NURSE III		9/1/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56363	REGISTERED PROF NURSE III		9/4/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56364	REGISTERED PROF NURSE III		9/2/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56365	REGISTERED PROF NURSE II		9/3/2008	\$ 74,328.00	\$ 57,828.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56366	REGISTERED PROF NURSE III		0/2/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56367	REGISTERED PROF NURSE III		9/4/2008	\$ 74,328.00	\$ 76,164.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56368	REGISTERED PROF NURSE II		9/19/2008	\$ 74,328.00	\$ 57,828.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56369	HEALTH UNIT CLERK I		9/5/2008	\$ 27,756.00	\$ 25,668.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56371	HEALTH UNIT CLERK II		8/31/2008	\$ 27,756.00	\$ 30,036.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DRUGS SOLD TO PATIENTS	56372	PHARMACIST I		12/16/2007	\$ 50.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DRUGS SOLD TO PATIENTS	56373	PHARMACIST I		12/16/2007	\$ 50.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	56376	OCCUPATIONAL THERAPIST III		2/1/2008	\$ 35.00	\$ 35.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56387	REGISTERED PROF NURSE III		9/4/2008	\$ 74,328.00	\$ 74,328.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56390	REGISTERED PROF NURSE II		9/22/2008	\$ 74,328.00	\$ 57,828.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGICAL ACUTE	56391	NURSE AIDE FP		9/20/2008	\$ 32,364.00	\$ 32,364.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	56529	EMERGENCY ROOM ASST FP		10/1/2008	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	56530	EMERGENCY ROOM ASST FP		10/1/2008	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	56531	OCCUPATIONAL THERAPIST III		10/16/2008	\$ 54,792.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	56532	SPEECH PATHOLOGIST IV		10/16/2008	\$ 64,920.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56535	REGISTERED PROF NURSE V		11/17/2008	\$ 98,292.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56536	REGISTERED PROF NURSE III		11/17/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56537	REGISTERED PROF NURSE III		11/17/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56538	REGISTERED PROF NURSE III		11/17/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	PATIENT ACCOUNTING	56539	CLERK IV		12/1/2008	\$ 27,756.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL STAFF ADMIN	56540	PHYSICIAN ASST		12/1/2008	\$ 140,000.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL STAFF ADMIN	56541	PHYSICIAN ASST		12/1/2008	\$ 130,000.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56542	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56543	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56544	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56545	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56546	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit

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MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56547	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56548	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56549	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56550	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56611	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56612	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MED-SURG INTENSIVE CARE	56613	REGISTERED PROF NURSE III		12/1/2008	\$ 74,328.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56614	SURGICAL TECHNICIAN FP		12/1/2008	\$ 42,912.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56615	SURGICAL TECHNICIAN FP		12/1/2008	\$ 42,912.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56616	OPERATING ROOM ASST FP		12/16/2008	\$ 34,440.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	SURGERY GEN-MAJOR	56617	OPERATING ROOM AIDE FP		12/16/2008	\$ 32,364.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ANESTHESIOLOGY	56618	ANESTHESIA TECH FP		12/16/2008	\$ 36,828.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	100364	STUDENT HELPER I	Exempt	8/11/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HUMAN RESOURCES	100368	STUDENT HELPER I	Exempt	5/10/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	100369	STUDENT HELPER I	Exempt	5/28/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	GENERAL ACCOUNTING	101039	STUDENT HELPER I	Exempt	7/21/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	RADIOLOGY-DIAGNOSTIC	101041	STUDENT HELPER I	Exempt	1/19/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	101042	STUDENT HELPER I	Exempt	11/26/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	101043	STUDENT HELPER I	Exempt	7/21/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	101044	STUDENT HELPER I	Exempt	7/4/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CENTRAL SVCS & SUPPLIES	101045	STUDENT HELPER I	Exempt	8/21/2007	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	101047	STUDENT HELPER II	Exempt	12/18/2007	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	OCCUPATIONAL THERAPY	101050	STUDENT HELPER II	Exempt	8/14/2008	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL RECORDS	101051	STUDENT HELPER II	Exempt	1/6/2008	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	CLINICAL LAB SVCS	101052	STUDENT HELPER II	Exempt	3/9/2008	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	DATA PROCESSING	101054	STUDENT HELPER II	Exempt	9/15/2007	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	EMERGENCY SERVICES	105726	STUDENT HELPER I	Exempt	4/12/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	AMBULATORY SURGERY SVCS	105728	STUDENT HELPER II	Exempt	1/29/2008	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING ADMIN-ACUTE	108503	DIRECTOR OF NURSING	Exempt	8/1/2007	\$ 125,000.00	\$ 94,986.00	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	108862	PER DIEM NURSE	Exempt	7/22/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	108867	PER DIEM NURSE	Exempt	8/25/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	108871	PER DIEM NURSE	Exempt	12/4/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	108888	PER DIEM NURSE	Exempt	12/16/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	108891	PER DIEM NURSE	Exempt	11/6/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING ADMIN-ACUTE	108906	STUDENT HELPER II	Exempt	7/25/2008	\$ 7.50	\$ 7.50	Authorized to Recruit
MAUI MEM MEDICAL CENTER	ADMITTING	108912	STUDENT HELPER I	Exempt	6/3/2008	\$ 7.25	\$ 7.25	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109016	PER DIEM CNA	Exempt	6/25/2008	\$ 18.35	\$ 17.65	Authorized to Recruit
MAUI MEM MEDICAL CENTER	HOSPITAL ADMINISTRATION	109086	ASST ADMR-CHIEF CLINICAL EXEC	Exempt	9/1/2008	\$ 170,000.00	\$ 160,838.00	Authorized to Recruit

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MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109109	PER DIEM CNA	Exempt	12/22/2008	\$ 18.35	\$ 18.35	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109110	PER DIEM CNA	Exempt	1/27/2008	\$ 18.35	\$ 17.45	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109265	PER DIEM NURSE	Exempt	12/15/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109267	PER DIEM NURSE	Exempt	12/11/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109268	PER DIEM NURSE	Exempt	8/29/2008	\$ 36.62	\$ 36.62	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL STAFF ADMIN	109269	STAFF SURGEON	Exempt	7/16/2005	\$ 600,000.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109280	PER DIEM LPN	Exempt	8/22/2007	\$ 21.44	\$ 20.38	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109281	PER DIEM LPN	Exempt	1/26/2008	\$ 21.44	\$ 20.38	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109282	PER DIEM LPN	Exempt	11/1/2006	\$ 21.44	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL STAFF ADMIN	109300	MEDICAL DIRECTOR	Exempt	7/16/2007	\$ 600,000.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109301	PER DIEM CNA	Exempt	3/26/2008	\$ 18.35	\$ 17.65	Authorized to Recruit
MAUI MEM MEDICAL CENTER	MEDICAL STAFF ADMIN	109319	STAFF SURGEON	Exempt	10/1/2008	\$ 600,000.00	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109336	PER DIEM NURSE	Exempt	12/1/2008	\$ 36.62	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109337	PER DIEM NURSE	Exempt	12/1/2008	\$ 36.62	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109338	PER DIEM NURSE	Exempt	12/1/2008	\$ 36.62	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109339	PER DIEM NURSE	Exempt	12/1/2008	\$ 36.62	\$ -	Authorized to Recruit
MAUI MEM MEDICAL CENTER	NURSING FLOAT PERSONNEL	109340	PER DIEM NURSE	Exempt	12/1/2008	\$ 36.62	\$ -	Authorized to Recruit
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	20744	HEALTH INFO TECH II		12/28/2007	\$ 19,607.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	GENERAL ACCOUNTING	20746	SECRETARY II		9/18/2008	\$ 34,955.00	\$ 9,781.00	Authorized
KAUAI VETERANS MEMORIAL HOSP	SKILLED NURSING CARE	20886	LICENSED PRACTICAL NURSE ENTRY	Incumbent: Ranelle Kaawa	8/19/2007	\$ 33,969.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	PLANT MAINTENANCE	24515	BUILDING & GROUNDS SUPVR II		6/5/2001	\$ 47,454.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	MEDICAL RECORDS	30370	HEALTH INFO ADMR		2/1/2008	\$ 42,498.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	EMERGENCY SERVICES	30858	REGISTERED PROF NURSE III		10/1/2008	\$ 78,654.00	\$ 13,012.00	Authorized
KAUAI VETERANS MEMORIAL HOSP	MEDICAL RECORDS	33279	HEALTH INFO TECH I		3/24/2007	\$ 16,821.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	UTILIZATION MANAGEMENT	34083	REGISTERED PROF NURSE VI		2/2/2008	\$ 77,449.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	RADIOLOGY-DIAGNOSTIC	45268	RADIOLOGY SPCLST II		12/13/2008	\$ 67,620.00	\$ 34,864.00	Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	55326	PATIENT FIN SVCS MGR I		1/1/2008	\$ -	Unfunded	Not Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	55327	HEALTH INFO TECH II		12/18/2007	\$ 16,806.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	55550	OUTPATIENT CLINICAL ASST FP		11/3/2007	\$ -	Unfunded	Not Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	55551	LICENSED PRACTICAL NURSE ENTRY		1/16/2007	\$ -	Unfunded	Not Authorized
KAUAI VETERANS MEMORIAL HOSP	SURGERY GEN-MAJOR	56024	REGISTERED PROF NURSE III		1/22/2007	\$ 63,008.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	CLINICAL LAB SVCS	56040	MEDICAL TECHNOLOGIST III		2/1/2007	\$ -		Authorized
KAUAI VETERANS MEMORIAL HOSP	PLANT MAINTENANCE	56050	PROJECT MANAGER		1/31/2007	\$ -	Unfunded	Not Authorized
KAUAI VETERANS MEMORIAL HOSP	HOUSEKEEPING	56130	JANITOR II	Temporary	3/20/2007	\$ -		Authorized
KAUAI VETERANS MEMORIAL HOSP	PHYSICAL THERAPY	56131	PHYSICAL THERAPIST III		10/1/2008	\$ 57,153.00	\$ 16,490.00	Authorized
KAUAI VETERANS MEMORIAL HOSP	DATA PROCESSING	56134	DATA PROC SYSTEMS ANALYST IV		4/27/2007	\$ 41,486.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	HUMAN RESOURCES	56142	COMMUNITY REL & PROG MGR		10/1/2007	\$ 27,750.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	HOSPITAL ADMINISTRATION	56144	REGISTERED PROF NURSE V		10/18/2007	\$ -	Unfunded	Not Authorized

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KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	56145	ADMITTING CLERK I		11/1/2007	\$ 16,191.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	SURGERY GEN-MAJOR	56150	OPERATING ROOM ASST FP		9/1/2008	\$ -	Unfunded	Not Authorized
KAUAI VETERANS MEMORIAL HOSP	RADIOLOGY-DIAGNOSTIC	56553	RADIOLOGIC TECH FP		11/10/2008	\$ 44,412.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	OBSTETRICS ACUTE	56555	HEALTH UNIT CLERK II		11/10/2008	\$ 27,756.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	HOSPITAL ADMINISTRATION	101688	REGIONAL CEO	Exempt	11/1/2008	\$ 194,000.00	\$ 122,786.00	Authorized
KAUAI VETERANS MEMORIAL HOSP	HOSPITAL ADMINISTRATION	105985	STUDENT HELPER I	Exempt	2/28/2008	\$ 4,524.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	HOSPITAL ADMINISTRATION	105986	STUDENT HELPER I	Exempt	8/11/2002	\$ -		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108658	PER DIEM NURSE	Exempt	7/3/2008	\$ 24,582.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108659	PER DIEM NURSE	Exempt	4/29/2008	\$ 24,582.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108662	PER DIEM NURSE	Exempt	12/16/2007	\$ 24,582.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108663	PER DIEM NURSE	Exempt	11/11/2008	\$ 24,582.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	108895	PER DIEM NURSE	Exempt	11/2/2008	\$ 23,022.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108897	PER DIEM NURSE	Exempt	4/14/2008	\$ 24,582.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108968	PER DIEM CNA	Exempt	12/15/2006	\$ 11,516.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108970	PER DIEM LPN	Exempt	8/4/2005	\$ 13,457.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108971	PER DIEM LPN	Exempt	8/4/2005	\$ 13,457.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	NURSING ADMIN-ACUTE	108972	PER DIEM LPN	Exempt	6/23/2004	\$ 13,457.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	109121	MEDICAL DIRECTOR	Exempt	1/1/2008	\$ -		Authorized
KAUAI VETERANS MEMORIAL HOSP	WEST KAUAI CLINIC	109123	PER DIEM LPN	Exempt	11/16/2008	\$ 13,457.00		Authorized
KAUAI VETERANS MEMORIAL HOSP	EMERGENCY SERVICES	109275	MEDICAL DIRECTOR	Exempt	9/21/2007	\$ -		Authorized
SAMUEL MAHELONA MEM HOSP	MEDICAL RECORDS	20745	CLERK TYPIST III		11/29/2007	\$ 13,878.00		Authorized
SAMUEL MAHELONA MEM HOSP	PSYCH ACUTE-ADULT	20765	LICENSED PRACTICAL NURSE ENTRY		11/27/2007	\$ -		Not Authorized
SAMUEL MAHELONA MEM HOSP	SKILLED NURSING CARE	20769	LICENSED PRACTICAL NURSE FP		7/1/2008	\$ 36,828.00		Y- Position Offered
SAMUEL MAHELONA MEM HOSP	HOUSEKEEPING	20806	JANITOR II		12/1/2008	\$ 32,980.00	\$ 14,804.00	Y - interviews to be conducted
SAMUEL MAHELONA MEM HOSP	PLANT MAINTENANCE	20814	BLOG MAINT WORKER I		12/1/2008	\$ 43,988.00	\$ 19,715.00	Y - interviews to be conducted
SAMUEL MAHELONA MEM HOSP	PHARMACY	21798	PHARMACY TECHNICIAN FP		5/31/2008	\$ 24,321.00		Y - awaiting reorg
SAMUEL MAHELONA MEM HOSP	PSYCH ACUTE-ADULT	34620	LICENSED PRACTICAL NURSE FP		4/5/2000	\$ -		Not Authorized
SAMUEL MAHELONA MEM HOSP	HOSPITAL ADMINISTRATION	53525	MANAGEMENT ANALYST III		9/29/2001	\$ -		Not Authorized
SAMUEL MAHELONA MEM HOSP	DATA PROCESSING	54052	DATA PROC SYSTEMS ANALYST IV		6/4/2008	\$ 41,184.00		Not Authorized
SAMUEL MAHELONA MEM HOSP	SOCIAL WORK SVCS	55278	SOCIAL WORKER III		9/11/2006	\$ -		Not Authorized
SAMUEL MAHELONA MEM HOSP	PSYCH ACUTE-ADULT	55884	CLERK III		8/4/2006	\$ -		N - to be abolished
SAMUEL MAHELONA MEM HOSP	PHARMACY	56041	PHARMACIST II		2/1/2007	\$ 4,506.67		Y - awaiting reorg
SAMUEL MAHELONA MEM HOSP	SKILLED NURSING CARE	56127	REGISTERED PROF NURSE II		2/1/2007	\$ -		Y - used for TA purposes
SAMUEL MAHELONA MEM HOSP	RADIOLOGY-DIAGNOSTIC	56128	RADIOLOGIC TECH FP		2/1/2007	\$ 10,833.33		Authorized
SAMUEL MAHELONA MEM HOSP	OTHER AMBULATORY SERVICES	56137	LICENSED PRACTICAL NURSE FP		8/14/2007	\$ 9,207.00		Not Authorized
SAMUEL MAHELONA MEM HOSP	OTHER AMBULATORY SERVICES	56138	ADMITTING CLERK I		8/14/2007	\$ 6,939.00		Not Authorized

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SAMUEL MAHELONA MEM HOSP	SKILLED NURSING CARE	56146	REGISTERED PROF NURSE III		8/1/2008			Not Authorized
SAMUEL MAHELONA MEM HOSP	NURSING ADMIN-ACUTE	108703	PER DIEM NURSE	Exempt	11/13/2008	\$ 26,208.00	\$ 1,750.00	Not Authorized
SAMUEL MAHELONA MEM HOSP	NURSING ADMIN-ACUTE	108705	PER DIEM NURSE	Exempt	4/13/2008	\$ 26,208.00	\$ 20,864.00	Authorized
SAMUEL MAHELONA MEM HOSP	NURSING ADMIN-ACUTE	108976	PER DIEM NURSE	Exempt	6/21/2008	\$ 26,208.00	\$ -	Authorized
MALUHIA	RECREATIONAL THERAPY	56043	ACTIVITIES COORDINATOR FP		11/16/07	\$ 38,184.00	\$ 39,937.71	YES
MALUHIA	ADULT DAY HEALTH CARE	56436	ADULT DAY HLTH AIDE FP		09/05/08	\$ 34,440.00	\$ 34,440.00	NO
MALUHIA	PLANT MAINTENANCE	18461	BLDG MAINT WORKER I		01/16/08	UNFUNDED	\$ 41,460.00	NO
MALUHIA	SKILLED NURSING CARE	20978	CERTIFIED NURSE AIDE FP		11/01/08	\$ 30,756.00	\$ 33,372.00	YES
MALUHIA	SKILLED NURSING CARE	20979	CERTIFIED NURSE AIDE FP		05/16/08	\$ 30,756.00	\$ 31,116.00	YES
MALUHIA	SKILLED NURSING CARE	28572	CERTIFIED NURSE AIDE FP		01/02/06	\$ 30,756.00	\$ 27,456.00	YES
MALUHIA	SKILLED NURSING CARE	35947	CERTIFIED NURSE AIDE FP		12/31/05	UNFUNDED	\$ 27,456.00	NO
MALUHIA	SKILLED NURSING CARE	56455	CERTIFIED NURSE AIDE FP		10/09/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56461	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56462	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56463	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56464	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56465	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56466	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56467	CERTIFIED NURSE AIDE FP		11/14/08	\$ 30,756.00	NEW POSN	YES
MALUHIA	HOSPITAL ADMINISTRATION	21084	CLERK STENOGRAPHER II		07/07/07	\$ 25,668.00	\$ 26,688.00	YES
MALUHIA	DIETARY	56163	DIETITIAN III		07/01/07	UNFUNDED	NEW POSN	NO
MALUHIA	MEDICAL RECORDS	54996	HEALTH INFO TECH II		05/14/08	UNFUNDED	\$ 46,200.00	NO
MALUHIA	NURSING ADMIN-LTC	55442	HEALTH UNIT CLERK II		01/01/08			
MALUHIA	PLANT MAINTENANCE	18457	INSTITUTION FACILITIES SUPT II		08/01/08	UNFUNDED	\$ 60,744.00	NO
MALUHIA	DIETARY	21022	INSTITUTION FOOD SVCS MGR II		10/01/07		\$ 34,632.00	NO
MALUHIA	HOUSEKEEPING	21078	JANITOR II		05/31/08	\$ 31,236.00	\$ 31,596.00	
MALUHIA	HOUSEKEEPING	21080	JANITOR II		03/14/06	UNFUNDED	\$ 31,595.00	NO
MALUHIA	HOUSEKEEPING	23610	JANITOR II		09/29/07	UNFUNDED	\$ 31,236.00	NO
MALUHIA	LAUNDRY & LINEN	21068	LAUNDRY HELPER I		07/01/07	UNFUNDED	\$ 30,036.00	NO
MALUHIA	SKILLED NURSING CARE	20960	LICENSED PRACTICAL NURSE FP		08/11/08	\$ 35,004.00	\$ 36,828.00	YES
MALUHIA	SKILLED NURSING CARE	20962	LICENSED PRACTICAL NURSE FP		09/04/08	\$ 35,004.00	\$ 36,828.00	YES
MALUHIA	SKILLED NURSING CARE	20975	LICENSED PRACTICAL NURSE FP		07/01/08	\$ 35,004.00	\$ 42,888.00	YES
MALUHIA	SKILLED NURSING CARE	20989	LICENSED PRACTICAL NURSE FP		12/12/06	UNFUNDED	\$ 36,816.00	NO
MALUHIA	ADULT DAY HEALTH CARE	56441	LICENSED PRACTICAL NURSE FP		09/16/08	\$ 36,828.00	\$ 36,828.00	YES
MALUHIA	ADULT DAY HEALTH CARE	37487	PARA MEDICAL ASSISTANT II		07/01/08	\$ 33,120.00	\$ 34,641.14	YES
MALUHIA	SKILLED NURSING CARE	28575	PATIENT CARE TECH FP		10/01/08	\$ 34,641.14	\$ 34,440.00	YES
MALUHIA	NURSING ADMIN-LTC	109130	PER DIEM CNA	Exempt	11/01/04	UNFUNDED	\$ 15.97	NO
MALUHIA	NURSING ADMIN-LTC	109131	PER DIEM CNA	Exempt	05/13/06	UNFUNDED	\$ 15.97	NO

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MALUHIA	NURSING ADMIN-LTC	109132	PER DIEM CNA	Exempt	09/30/06	UNFUNDED	\$ 16.37	NO
MALUHIA	NURSING ADMIN-LTC	109133	PER DIEM CNA	Exempt	11/01/04	UNFUNDED	NOT FILLED	NO
MALUHIA	NURSING ADMIN-LTC	109134	PER DIEM CNA	Exempt	11/01/04	UNFUNDED	NOT FILLED	NO
MALUHIA	NURSING ADMIN-LTC	109135	PER DIEM CNA	Exempt	11/01/04	UNFUNDED	NOT FILLED	NO
MALUHIA	ADULT DAY HEALTH CARE	109147	PER DIEM CNA	Exempt	04/06/08	\$ 18.35	\$ 18.35	NO
MALUHIA	ADULT DAY HEALTH CARE	109149	PER DIEM CNA	Exempt	08/02/08	\$ 18.35	\$ 18.35	NO
MALUHIA	SKILLED NURSING CARE	108942	PER DIEM NURSE	Exempt	06/12/06	UNFUNDED	\$ 30.99	NO
MALUHIA	SKILLED NURSING CARE	108943	PER DIEM NURSE	Exempt	01/20/07	UNFUNDED	\$ 26.25	NO
MALUHIA	SKILLED NURSING CARE	108944	PER DIEM NURSE	Exempt	02/18/07	UNFUNDED	\$ 32.87	NO
MALUHIA	SKILLED NURSING CARE	108945	PER DIEM NURSE	Exempt	08/04/06	UNFUNDED	\$ 32.23	NO
MALUHIA	SKILLED NURSING CARE	108946	PER DIEM NURSE	Exempt	06/26/07	UNFUNDED	\$ 33.53	NO
MALUHIA	RECREATIONAL THERAPY	56045	RECREATIONAL AIDE FP		07/01/08	UNFUNDED	NEW POSN	NO
MALUHIA	SKILLED NURSING CARE	56456	REGISTERED PROF NURSE II		11/14/08	\$ 57,828.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56457	REGISTERED PROF NURSE II		11/14/08	\$ 57,828.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56458	REGISTERED PROF NURSE II		11/14/08	\$ 57,828.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56459	REGISTERED PROF NURSE III		11/14/08	\$ 68,736.00	NEW POSN	YES
MALUHIA	SKILLED NURSING CARE	56460	REGISTERED PROF NURSE III		11/14/08	\$ 68,736.00	NEW POSN	YES
MALUHIA	HOSPITAL ADMINISTRATION	56454	SECRETARY II		10/02/08	\$ 32,424.00	NEW POSN	YES
MALUHIA	RECREATIONAL THERAPY	100992	STUDENT HELPER I	Exempt	07/28/04	UNFUNDED	\$ 6.25	NO
MALUHIA	RECREATIONAL THERAPY	108777	STUDENT HELPER I	Exempt	08/17/01	UNFUNDED	\$ 5.75	NO
MALUHIA	RECREATIONAL THERAPY	100908	STUDENT HELPER II	Exempt	09/22/07	\$ 7.50	\$ 7.50	YES
MALUHIA	RECREATIONAL THERAPY	100909	STUDENT HELPER II	Exempt	06/20/08	\$ 7.50	\$ 7.50	YES
MALUHIA	RECREATIONAL THERAPY	100910	STUDENT HELPER II	Exempt	08/15/08	\$ 7.50	\$ 7.50	YES
MALUHIA	RECREATIONAL THERAPY	100911	STUDENT HELPER II	Exempt	01/12/08	\$ 7.50	\$ 7.50	YES
MALUHIA	RECREATIONAL THERAPY	100912	STUDENT HELPER II	Exempt	01/15/08	UNFUNDED	\$ 7.50	NO
MALUHIA	RECREATIONAL THERAPY	100993	STUDENT HELPER II	Exempt	08/01/06	UNFUNDED	\$ 7.50	NO
MALUHIA	RECREATIONAL THERAPY	108806	STUDENT HELPER II	Exempt	01/05/06	UNFUNDED	\$ 7.50	NO
MALUHIA	RECREATIONAL THERAPY	108807	STUDENT HELPER II	Exempt	04/16/07	UNFUNDED	\$ 7.50	NO
MALUHIA	RECREATIONAL THERAPY	108808	STUDENT HELPER II	Exempt	08/04/01	UNFUNDED	\$ 5.75	NO
MALUHIA	RECREATIONAL THERAPY	108809	STUDENT HELPER II	Exempt	08/03/02	UNFUNDED	\$ 5.75	NO
LEAHI	SNF-ICF SWING	18151	PATIENT CARE TECH FP		09/16/06	UNFUNDED	NOT FILLED	NO
LEAHI	NURSING ADMIN-LTC	18160	REGISTERED PROF NURSE VI		09/05/01	UNFUNDED	\$50,916.00	NO
LEAHI	OFFICE SERVICES	18166	CLERK TYPIST II		05/20/08	UNFUNDED	\$25,668.00	NO
LEAHI	SNF-ICF SWING	18213	LICENSED PRACTICAL NURSE FP		12/01/07	\$ 35,004.00	\$28,496.00	YES
LEAHI	SNF-ICF SWING	18296	LICENSED PRACTICAL NURSE FP		09/01/07	UNFUNDED	\$39,252.00	NO
LEAHI	SNF-ICF SWING	18304	LICENSED PRACTICAL NURSE FP		03/08/05	\$ 35,004.00	\$35,422.00	YES
LEAHI	CENTRAL SVCS & SUPPLIES	18354	CENTRAL SUPPLY TECHNICIAN I		06/30/07	UNFUNDED	\$36,492.00	NO
LEAHI	CLINICAL LAB SVCS	18359	MEDICAL TECHNOLOGIST V		02/01/06	UNFUNDED	\$65,256.00	NO

Created: 12-30-08

**HHSC VACANCIES
DEC. 2008**

Page 21 of 22

Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
LEAHI	OCCUPATIONAL THERAPY	18374	OCCUPATIONAL THERAPIST II		07/09/05	UNFUNDED	\$32,988.00	NO
LEAHI	RECREATIONAL THERAPY	18377	RECREATIONAL THERAPIST I		09/01/06	UNFUNDED	\$34,652.00	NO
LEAHI	GROUPS	18402	GROUPSKEEPER I		12/01/07	UNFUNDED	\$31,236.00	NO
LEAHI	GROUPS	18405	GROUPSKEEPER I		08/05/08	\$ 32,856.00	\$30,036.00	YES
LEAHI	DIETARY	18410	DIETITIAN V		12/31/05	UNFUNDED	\$65,258.00	NO
LEAHI	DIETARY	18416	COOK II		09/01/06	UNFUNDED	\$35,892.00	NO
LEAHI	DIETARY	18418	COOK II		12/31/07	UNFUNDED	\$39,084.00	NO
LEAHI	DIETARY	18424	COOK I		03/01/08	UNFUNDED	\$34,728.00	NO
LEAHI	DIETARY	18445	KITCHEN HELPER		08/06/08	\$ 31,236.00	\$22,260.00	YES
LEAHI	PLANT MAINTENANCE	18468	BLDG MAINT WORKER I		06/17/08	\$ 41,460.00	\$33,144.00	YES
LEAHI	HOUSEKEEPING	18485	JANITOR II		07/16/08	\$ 31,236.00	\$32,856.00	YES
LEAHI	HOUSEKEEPING	18506	SEWING WORKER I		08/01/08	UNFUNDED	\$33,780.00	NO
LEAHI	PURCHASING & STORES	18519	STORES CLERK II		05/18/05	UNFUNDED	\$24,792.00	NO
LEAHI	HOSPITAL ADMINISTRATION	18529	SECRETARY IV		12/29/07	UNFUNDED	\$56,196.00	NO
LEAHI	HOSPITAL ADMINISTRATION	18530	SECRETARY III		01/03/06	UNFUNDED	\$48,252.00	NO
LEAHI	SNF-ICF SWING	18592	PATIENT CARE TECH FP		08/16/05	UNFUNDED	NEW	NO
LEAHI	DIETARY	18601	KITCHEN HELPER		02/28/06	UNFUNDED	\$28,680.00	NO
LEAHI	HOUSEKEEPING	23611	JANITOR II		12/30/06	UNFUNDED	\$31,595.00	NO
LEAHI	SNF-ICF SWING	23632	CERTIFIED NURSE AIDE FP		01/01/50	\$ 30,756.00	\$32,364.00	YES
LEAHI	ADULT DAY HEALTH CARE	23650	CERTIFIED NURSE AIDE ENTRY		01/01/50	\$ 29,016.00	\$27,206.00	YES
LEAHI	SNF-ICF SWING	30203	CERTIFIED NURSE AIDE FP		01/01/50	\$ 30,756.00	\$28,142.00	YES
LEAHI	OFFICE SERVICES	40030	CLERK STENOGRAPHER III		06/22/07	UNFUNDED	\$31,212.00	NO
LEAHI	OFFICE SERVICES	40730	CLERK TYPIST II		06/01/08	UNFUNDED	\$25,668.00	NO
LEAHI	HOUSEKEEPING	47316	JANITOR II		11/01/08	\$ 31,236.00	\$32,856.00	YES
LEAHI	HUMAN RESOURCES	48598	PERSONNEL MGMT SPECIALIST III		08/09/06	UNFUNDED	NOT FILLED	NO
LEAHI	ADULT DAY HEALTH CARE	52179	CERTIFIED NURSE AIDE ENTRY		01/01/50	\$ 29,016.00	\$ 30,528.00	YES
LEAHI	SNF-ICF SWING	53474	CERTIFIED NURSE AIDE FP		01/01/50	\$ 30,756.00	\$28,850.00	YES
LEAHI	RECREATIONAL THERAPY	53643	OCCUP THERAPY ASST ENTRY		10/22/01	UNFUNDED	NEW	NO
LEAHI	SNF-ICF SWING	53813	CERTIFIED NURSE AIDE FP		01/01/50	\$ 30,756.00	\$31,117.00	YES
LEAHI	HOUSEKEEPING	53947	JANITOR II		01/01/50	UNFUNDED	\$22,256.00	NO
LEAHI	HUMAN RESOURCES	54039	PERSONNEL CLERK III		08/21/08	\$ 25,668.00	\$26,688.00	YES
LEAHI	NURSING ADMIN-LTC	54952	REGISTERED PROF NURSE VI		07/31/02	UNFUNDED	NEW	NO
LEAHI	SNF-ICF SWING	55101	CERTIFIED NURSE AIDE FP		04/28/03	\$ 30,756.00	\$ 32,364.00	YES
LEAHI	RECREATIONAL THERAPY	55255	RECREATIONAL THERAPIST I		04/01/06	UNFUNDED	NEW	NO
LEAHI	HOSPITAL ADMINISTRATION	55306	RESIDENT FINANCIAL COUNSELOR		07/01/06	UNFUNDED	\$31,332.00	NO
LEAHI	SNF-ICF SWING	55336	LICENSED PRACTICAL NURSE FP		11/15/07	\$ 35,004.00	\$35,004.00	YES
LEAHI	PURCHASING & STORES	55431	PURCHASING TECHNICIAN I		10/16/07	UNFUNDED	\$25,764.00	NO
LEAHI	PLANT MAINTENANCE	55580	ELECTRICIAN I		12/06/05	UNFUNDED	\$39,499.00	NO

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**HHSC VACANCIES
DEC. 2008**

Page 22 of 22

Facility	Department	Position	PosDescription	Exempt Position?	Vacancy Date	Amount Budgeted for this Position	Amount Actually Paid for this position when it was last filled	Authorized or Not Authorized to Recruit
LEAHI	SNF-ICF SWING	55685	CERTIFIED NURSE AIDE FP		03/16/06	\$ 30,756.00	NEW	YES
LEAHI	HOUSEKEEPING	55700	JANITOR II		04/01/06	UNFUNDED	NOT FILLED	NO
LEAHI	MEDICAL RECORDS	56028	CLERK I		02/01/07	UNFUNDED	\$10.15	NO
LEAHI	OCCUPATIONAL THERAPY	56029	OCCUPATIONAL THERAPIST III		02/01/07	UNFUNDED	\$40,518.00	NO
LEAHI	SNF-ICF SWING	56154	CERTIFIED NURSE AIDE FP		03/01/07	\$ 30,756.00	\$36,504.00	YES
LEAHI	RECREATIONAL THERAPY	56156	RECREATIONAL AIDE FP		05/03/08	\$ 32,736.00	\$33,120.00	YES
LEAHI	RECREATIONAL THERAPY	56157	RECREATIONAL AIDE FP		11/29/08	\$ 32,736.00	\$34,440.00	YES
LEAHI	RADIOLOGY-DIAGNOSTIC	56164	RADIOLOGIC TECH FP		08/27/07	UNFUNDED	\$36,504.00	NO
LEAHI	SNF-ICF SWING	56165	REGISTERED PROF NURSE III		08/27/07	UNFUNDED	NEW	NO
LEAHI	NURSING ADMIN-LTC	56169	REGISTERED PROF NURSE II		12/12/07	UNFUNDED	NEW	NO
LEAHI	NURSING ADMIN-LTC	56170	REGISTERED PROF NURSE II		12/12/07	UNFUNDED	NEW	NO
LEAHI	SOCIAL WORK SVCS	56173	SOCIAL WORKER III		07/18/08	UNFUNDED	\$40,152.00	NO
LEAHI	RECREATIONAL THERAPY	100435	STUDENT HELPER II	Exempt	10/01/08	UNFUNDED	\$ 7.50	NO
LEAHI	RECREATIONAL THERAPY	100452	STUDENT HELPER II	Exempt	10/19/08	UNFUNDED	\$ 7.50	NO
LEAHI	RECREATIONAL THERAPY	100907	STUDENT HELPER II	Exempt	08/24/03	UNFUNDED	NOT FILLED	NO
LEAHI	RECREATIONAL THERAPY	101021	STUDENT HELPER II	Exempt	06/04/08	UNFUNDED	\$ 7.50	NO
LEAHI	RECREATIONAL THERAPY	101097	STUDENT HELPER II	Exempt	09/08/06	UNFUNDED	\$ 7.50	NO
LEAHI	RECREATIONAL THERAPY	101098	STUDENT HELPER II	Exempt	09/01/06	UNFUNDED	\$ 7.50	NO
LEAHI	RECREATIONAL THERAPY	101212	STUDENT HELPER II	Exempt	12/15/08	\$ 7.50	\$ 7.50	YES
LEAHI	HOSPITAL ADMINISTRATION	102818	ASST HOSPITAL ADMR	Exempt	10/02/02	UNFUNDED	\$57,388.00	NO
LEAHI	RECREATIONAL THERAPY	105790	STUDENT HELPER II	Exempt	07/27/07	UNFUNDED	\$7.50	NO
LEAHI	ADULT DAY HEALTH CARE	108531	STUDENT HELPER II	Exempt	08/24/02	UNFUNDED	\$6.50	NO
LEAHI	MEDICAL-PHYSICIANS	108538	STAFF PHYSICIAN	Exempt	10/12/06	\$ 250,500.00	\$83,990.00	YES
LEAHI	SNF-ICF SWING	108754	PER DIEM NURSE	Exempt	02/16/07	UNFUNDED	\$32.87	NO
LEAHI	SNF-ICF SWING	108757	PER DIEM NURSE	Exempt	04/11/08	UNFUNDED	\$35.21	NO
LEAHI	SNF-ICF SWING	108759	PER DIEM NURSE	Exempt	03/06/04	UNFUNDED	\$26.25	NO
LEAHI	SNF-ICF SWING	108760	PER DIEM NURSE	Exempt	05/24/08	\$ 36.62	\$35.21	YES
LEAHI	SNF-ICF SWING	108762	PER DIEM NURSE	Exempt	03/10/04	UNFUNDED	\$26.25	NO
LEAHI	DIETARY	108830	STUDENT HELPER II	Exempt	06/30/07	UNFUNDED	\$6.50	NO
LEAHI	ADULT DAY HEALTH CARE	109063	PER DIEM CNA	Exempt	07/16/05	UNFUNDED	NEW	NO

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Attachment 6

Federal Fund Expenditures Exceeding Ceiling for FY08 and FY09 to date

<u>Recurring</u> <u>(Y/N)</u>	<u>GF Impact</u> <u>(Y/N)</u>
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Attachment 7

List of Transfers for FY08 and FY09 to date

[illegible]

CIP Summary

C



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
"Touching Lives Every Day"

The Senate Committee on Health
The Senate Committee on Labor

Informational Briefing

January 30, 2009

HHSC Master 1-28-09

1



HEALTHCARE
CONCERNS TODAY AND TOMORROW

- Healthcare is in crisis today in the USA and its not going to get better
- Hawaii has unique healthcare delivery problems
- Public healthcare is taking on more and more of the burden
- Quality/Patient Safe Care is HHSC "core" business

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2



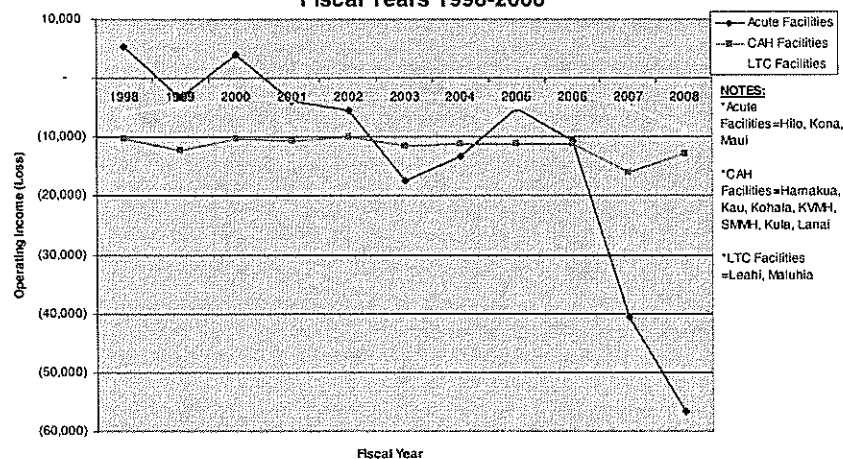
Five Primary Reasons Why HHSC Hospitals are Losing \$

1. No Medicaid Disproportionate Share Hospital Funding
2. Under-Reimbursement for Services Provided
3. Wait-List Problem
4. Physician Call Coverage and Recruitment Cost
5. Cost of Operating as a State Agency

HHSC Master 1-28-09

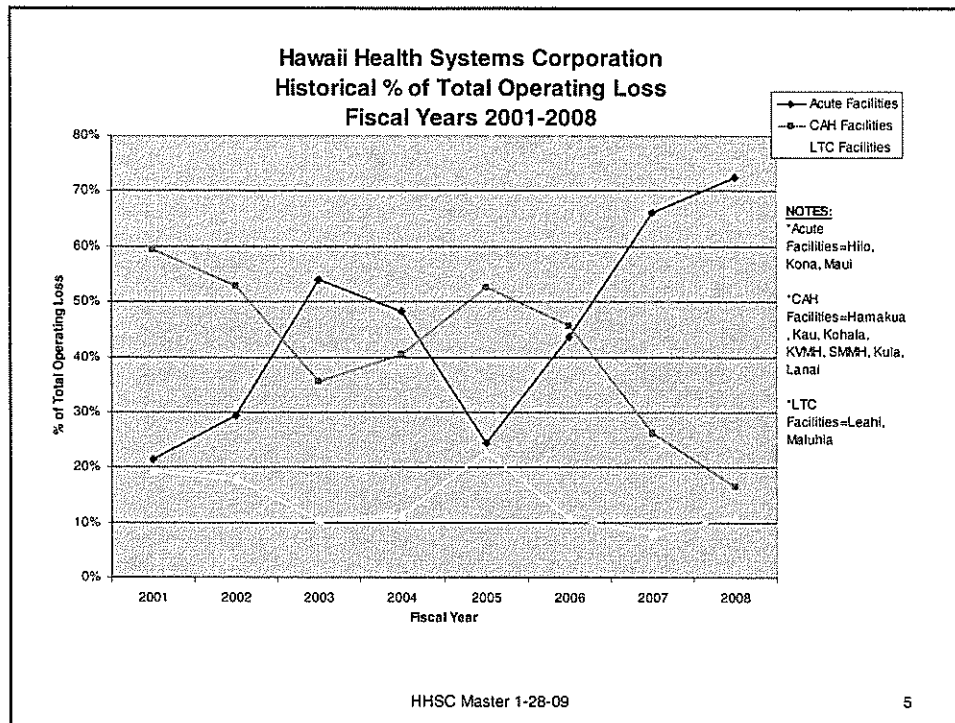
3

Hawaii Health Systems Corporation
Historical Operating Income (Loss) Trending
Fiscal Years 1998-2008



HHSC Master 1-28-09

4



5



FY 07 & FY 08 Were Difficult Years

- HHSC needed \$10 million to complete FY07:
\$10 million advanced from FY08
- HHSC needed \$25 million to complete FY08:
\$14 million EA + \$11 million private loan for Maui
- No solution in place for existing high accounts payable balances

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6



Act 290

- Good for Governance BUT no relief on financial/management constraints
 - Consider Act 290 to be a work in progress
 - More substantive change is needed to improve efficiency/reduce costs

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7



In FY 09 Difficulties Continue

- NO supplemental or EA for FY09 =
\$62 million shortfall + 4% cut on FY09 General Fund Appropriation
- Contingency plans implemented
- No solution in place for existing high accounts payable balances

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8



Paint the Picture

- Excessively high accounts payable balances
- Extensive hiring freeze
- Management pay freeze
- Travel restrictions
- Deferred equipment purchases
- Deferred facility maintenance

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9



Financial Squeeze



Inadequate Reimbursements



Lower General Fund Subsidy each year to cover safety net services, after deducting the carry over collective bargaining funds from the prior years'

HHSC OPERATING NET LOSS



Higher Payroll Costs due to fixed payroll cost and higher than normal fringe benefits rates



Higher safety net cost due to increases in self-pay patients as a result of the poor economic conditions

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10



FY09 Contingency Plan/Budget Updates

- Corporate
- Oahu
- Kauai
- East Hawaii
- West Hawaii
- Maui

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Fiscal Year 2010

- HHSC Requested \$117.5 M
- Admin Approved \$ 82.5 M + \$1.5 for Kahuku
- Total Budget \$556 M

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12



Fiscal Year 2011

- HHSC Requested \$113.5 M
- Admin Approved \$ 82.5 M + \$1.5 for Kahuku
- Total Budget \$575 M

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Items for HHSC Collective Bargaining with HGEA and UPW

- Paid time off (PTO)
- Salary to hourly
- Flexibility in scheduling needed for census changes
- Sick leave
- Computation of overtime
- Other pay issues

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2009 Proposed Legislation

- Need changes in internal structure, labor and reimbursements to help reduce losses
- State subsidy can be reduced if major changes are implemented
- Support will always be needed for safety-net services
- No single answer
- Six (6) HHSC proposed bills – descriptions follow

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Criminal Background Checks

- Bill further defines and allows HHSC to perform criminal checks on all existing employees, prospective contractors and vendors via the Hawaii Criminal Justice Data Center (FBI checks)
- Currently, HHSC conducts criminal record checks on all prospective employees, volunteers & students and would like to expand to existing employees
- Healthcare statutes and regulations require our hospitals to protect patients and employees from abuse and neglect

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Grandfathering

- Status quo for all existing HHSC employees
- HHSC remains a public benefit corporation and a public sector jurisdiction employer
- New employees will be placed in two new bargaining units whereby the exclusive representatives and employer will bargain on wages, hours, contributions to benefit and health plans, new retirement plan and other terms and conditions of employment
- HHSC responsible for costs of running new personnel system; HHSC Corporate and Regional Boards have the only Employer votes for bargaining
- Unions have the right to strike versus mandatory arbitration

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Outsourcing

- HHSC is requesting authority to outsource services currently performed by civil service bargaining unit employees
- Outsourcing when appropriate may enhance the operational efficiency and/or provide cost savings
- Outsourcing may provide services equivalent to or greater than currently provided at potentially lower costs; specialty companies may have better expertise, technology and resources to perform the function at less cost or are able to handle more volume at a more reasonable cost; management can focus its efforts/attention on more direct/bedside patient care services

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Levels of Service

- Only applies to substantial reduction or elimination of direct patient care services
- Need accelerated decision authority to respond to potentially urgent situations
- Current process places decision authority upon legislature
- Proposed process places decision authority upon regional system board with public meeting input and corporate board notification
- Proposed process still gives legislature final prerogative to reverse decision

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Critical Access Hospitals/Federally Qualified Health Centers Reimbursement

- 3rd party health insurance companies/mutual benefit associations currently do not reimburse CAHs/FQHCs at Medicare level
- CAHs/FQHCs lose \$'s on provision of care to patients with 3rd party health insurance
- Proposal is for 3rd party health insurance companies/mutual benefit associations to pay CAHs/FQHCs at Medicare levels
- Approximate annual value to CAHs = \$5M and to FQHCs = \$7.3M

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Enabling

- Enable HHSC facility or region to remain in HHSC federation but restructure into separate corporation
- Enable HHSC facility or region to form a business partnership with a private corporation

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“Other”

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22



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

Q & A

Thank You

HHSC Master 1-28-09

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**HAWAII HEALTH SYSTEMS
CORPORATION**
"Touching Lives Every Day"

**The Senate Committee on Health
The Senate Committee on Labor**

*Informational Briefing
Supplemental Information*

January 30, 2009

HHSC January 2009

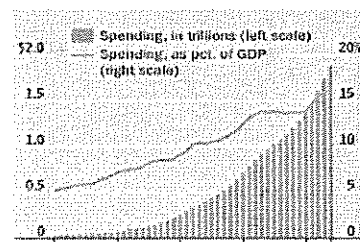
1

Rising Costs of Healthcare

- Private Health Care Insurance Up 35 % 1996 – 2000
(vs. 12% social security COLA adjustments)
- By 2015 Total U.S. Healthcare Spending Expected to Double to \$4 Trillion

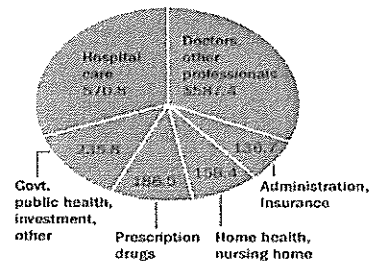
Health-Care Spending, American-Style

Up, up and still up



Source: Centers for Medicare & Medicaid Services

Where the money goes, in billions

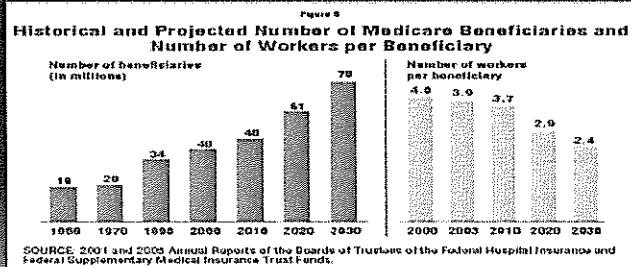


HHSC January 2009

2

Medicare to Go Broke by 2018

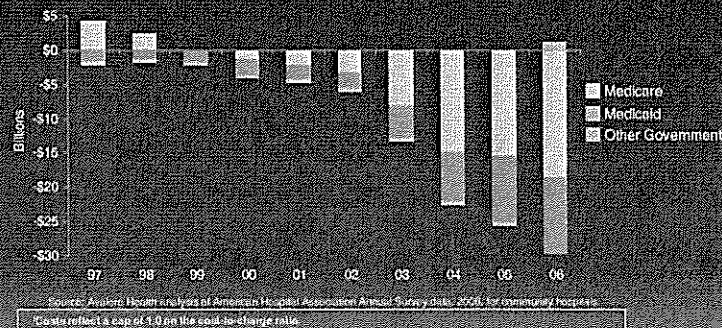
- Increased Costs
- New Medicare Drug Benefit (Part "D")
- Medicare Eligibles Growing/Payers Shrinking



HHSC January 2009

3

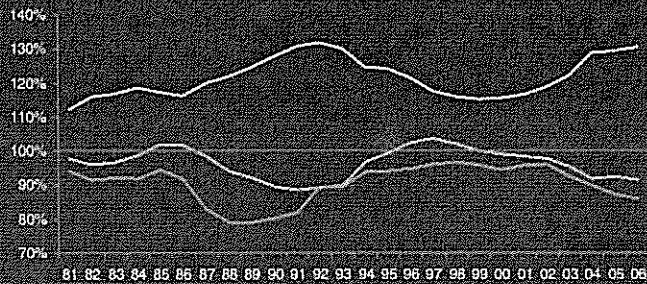
Hospital Payment Shortfall Relative to Costs for Medicare, Medicaid, and Other Government, 1997 – 2006⁽¹⁾



HHSC January 2009

4

Aggregate Hospital Payment-to-cost Ratios for Private Payers, Medicare, and Medicaid, 1981 – 2006



HHSC January 2009

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2. Payment Shortfalls- Payment Percentages

Hawaii's overall payment as a percentage of costs (93%) is the lowest among the states reporting to DataBank.

- Medicare and Medicaid do not pay for the full cost of hospital services in most of the 28 states reporting to DataBank
- 2007 Medicare losses for Hawaii's hospitals was approximately \$185,200,000
- In many DataBank states, private insurance covers the shortfall from the government payors

Calendar Year 2007
Percent of Costs Paid by:

	<u>Medicare</u>	<u>Medicaid/ QUEST</u>	<u>Private Insurance and Other</u>	<u>Overall</u>
Hawaii	77.37 %	70.65 %	108.74 %	92.88 %
All Databank Hospitals:				
Lowest Overall State	62.69 %	45.04 %	101.19 %	92.88 %
Average for US	79.14 %	73.26 %	127.34 %	104.82 %
Highest Overall State	100.80 %	101.65 %	155.63 %	115.35 %

Source: Hawaii DataBank Program, Hawaii Health Information Corporation (HHIC)
28 states report data to DataBank

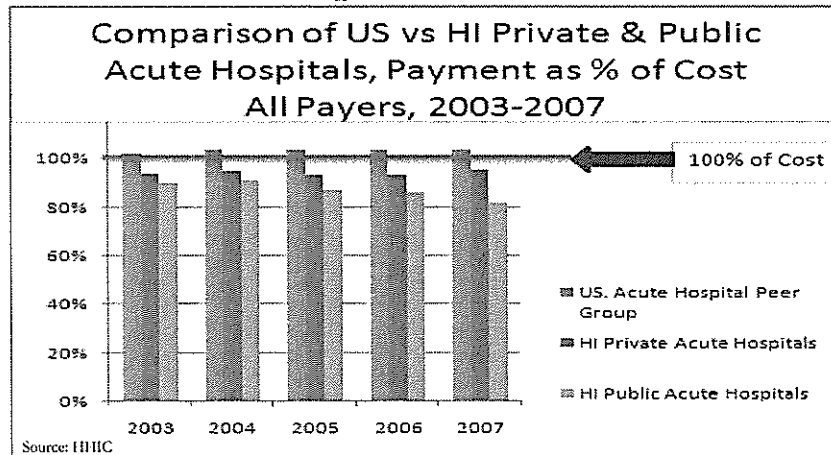
HAH
Healthcare Association
of Hawaii

8

HHSC January 2009

6

Are Hawaii's hospitals being paid less than it costs to provide the care?



Note: Payments to HI Private & Public Acute Hospitals are similar but HI Public Acute Hospitals have a larger share of Government payers and higher labor expense thus payment as a % of cost is lower for HI Public Acute Hospitals.

HHSC January 2009

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Informational Briefing - Supplemental Information Senate Committee on Health Senate Committee on Labor

January 30, 2009

HHSC January 2009

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

"Touching Lives Every Day"

**The Senate Committee on Ways and Means
Senator Donna Mercardo Kim, Chair
Senator Shan Tsutsui, Vice Chair**

**Tuesday, April 7, 2009
9:30 AM
Room 308
Hawaii State Capitol**

Testimony for HB 200 HD1 - Relating to the State Budget

Appropriates funds for the operating and capital improvement budget of the Executive Branch for fiscal years 2009-2010 and 2010-2011. (HB200 HD1)

Testimony By: Andrew Don, M.D.
Corporate Board Chair
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporation Board of Directors, thank you for this opportunity to provide testimony in strong "opposition" to provisions in HB 200, HD1 that, in combination with provisions in SB1673, SD2, HD1, would disestablish both the HHSC Corporation Board of Directors and the five HHSC Regional System Boards of Directors, cut recommended funding to the five HHSC regions, eliminate irreplaceable shared service expert personnel from the corporate office, dissolve HHSC and place all twelve hospitals back under Department of Health (DOH) with no consideration for transition planning and a loss of all autonomy and savings achieved over the past 13 years.

We respectfully request that the committee restore funding levels for Hawaii Health Systems Corporation (HHSC) and our five regions to amounts no less than those in the executive biennium budget. Detailed comments on HB 200, HD1 and our requested amendments to the bill are included in memorandum CEO-09-38, dated March 19, 2009, from Thomas M. Driskill, Jr., our President & CEO, which memorandum is attached for reference (attachment 1).

Our testimony on SB 1673, SD2, HD1 presented at House Committee on Finance hearing on Thursday, April 2, 2009 more fully documents the concerns

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU

of board members plus staff of HHSC and the five regions. We are providing that testimony for reference as well. (attachment 2).

Until enabling legislation has been passed and an appropriate working group to determine best new structures for HHSC regions has completed its work, the substantial operating losses of HHSC facilities are going to continue, and will continue to grow. As we identified in our initiation biennium budget submission last year to the administration, we are forecasting a cash shortfall of \$35 million in FY 2010 and a cash shortfall of \$31 million in FY 2011, based on the \$82.5 million in general funds subsidy included in the executive biennium budget. We respectfully request consideration for increasing the general funds subsidy to HHSC and its regions for the two years of the biennium to cover these forecast shortfalls. With the passage of enabling legislation and the support of the legislature, the administration and HHSC corporate board and regional systems boards for a working group process to identify appropriate revised future operating models for HHSC Regions, we will work during this biennium to establish and implement transition plans to establish operating models to control or reduce the financial burden of the community hospitals on the state of Hawaii. If future subsidy to HHSC hospitals is to have a realistic chance of reduction, then new structure opportunities must be created so HHSC acute care hospitals can develop private / public partnerships as well as HHSC facilities must be given the authority and tools to get their cost under control. Unless these two things happen, then cost of providing "safety net" acute care and LTC on the Neighbor Islands and LTC on Oahu will continue to escalate dramatically.

While this is testimony on the state budget bill HB 200, HD1, we feel we must comment on the enabling legislation that is so desperately needed to afford HHSC regions the opportunity to restructure and improve the financial performance of their facilities while continuing to uphold the quality standards that have been set and agreed to by all HHSC facilities. Your support for the SD2 version of SB 1673 will be greatly appreciated as well as your support for a realistic transition work group to capitalize on the Act 290 transition that has already been put into effect by evaluating where HHSC facilities are now, what are the future needs of the communities they serve and what is the best way to facilitate HHSC getting the authority and tools necessary to get cost under control while evolving to meet their future needs. The HHSC Corporate Board and corporate management are committed to working collaboratively with each of our five regions and representatives of the legislature to establish an appropriate new operating model or models for all or portions of the state's community hospital system and to establish plans for a smooth transitioning process for any facility or region being restructured. We provide to you our commitment to work closely and collaboratively with the house and the senate to transform our system while assuring that the quality healthcare needs of our communities are met.

We respectfully ask for your consideration for the amendments to HB 200, HD1 we have requested.

A handwritten signature in black ink, appearing to read 'Andrew Don', positioned above a horizontal line.

Andrew Don, M.D., Chair



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

"Touching Lives Every Day"

March 19, 2009

CEO-09-38

MEMORANDUM

TO: Senator Donna Mercado Kim, Chair
Committee on Ways & Means

FROM: Thomas M. Driskill, Jr.
President and Chief Executive Officer

SUBJECT: Review of HB 200 HD1

Thank you for the opportunity to provide comments and recommendations on adjustments to the biennium budget in HB 200 HD1. HHSC responses to the major points delineated in your memorandum of March 13, 2009 follow.

1. Identify all adjustments made to proposed operating and capital appropriations and provisos that affect your department.

The worksheet lists all adjustments to the proposed operating budget in HB 200 HD1. (Attachment 1) Significant adjustments include \$500,000 reductions in general funds subsidy to each of the five regional systems for a total of minus \$2,500,000. This is reflected in the establishment of five new programs (HTH 205, HTH 206, HTH 207, HTH 208, HTH 209), one for each regional system, in amounts exactly \$500,000 less than the allocation of general funds by region included in the executive biennium budget submission by HHSC. By subtraction, this reduces the general funds for HTH 210 to \$307,687, which, by establishment of five regional programs, changes HTH 210 to a single program for the HHSC corporate office.

Similar to the establishment of general funds subsidies under new programs for each of the five HHSC regions, HB 200 HD 1 reduces special fund (B) appropriation to HTH 210 to \$5,751,106, adding special fund (B) appropriation amounts to each of the five regions, in amounts equal to those in the executive biennium budget submission by HHSC. This results in \$2,500,000 reduction in total funding for the HHSC corporate office. Budget worksheets list the following items associated with this reduction:

- Add (2) general fund positions and general funds to HHSC for the Department of Health management and oversight of the State Hospital System (plus \$145,661).
- Reduce (25) special fund positions and general funds from Hawaii Health Systems Corporation (HHSC) Corporate Office (minus \$2,638,868).

We appreciate the addition to the corporate office of five million dollars (\$5,000,000) in general funds (A) and forty-five million dollars (\$45,000,000) in stimulus funds (V) in FY 2010 for automation of medical records and two and one-half million dollars (\$2,500,000) in general

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funds (A) and twenty-two million and five hundred thousand dollars (\$22,500,000) in stimulus funds (V) in FY 2011 for automation of medical records.

2. **Explain the rationale for the adjustment.** (combined with impact statement)
3. **Provide an impact statement for each adjustment.**

If legislative action were taken requiring transfer of the control of HHSC facilities to the Department of Health, it would greatly endanger the viability and survival of the hospitals and long term care safety net on the neighbor islands and Oahu. The quality of healthcare services, access to healthcare services, and the operations of HHSC facilities was significantly enhanced with the establishment of HHSC in 1996, which transferred the state's community hospitals from the Department of Health to HHSC. The management and operations of HHSC facilities simply did not work under the Department of Health prior to the establishment of HHSC, and will not work under the Department of Health if the control of the facilities is transferred back to the Department of Health. The operational complexity of HHSC and its hospital support requirements are so unique as to render the DOH State government model incapable of effectively serving hospital needs and demands.

The House Budget elimination of senior leadership including a total of twenty-five positions from reduction in the corporate office will render "inoperable" the services provided to regions by the corporate office and the operation of HHSC as a system. Coherent support to the regions and facilities of HHSC will not be possible with this level of uncoordinated reduction in funding and positions over a short period between the final approval of the State budget legislation and July 1, 2009 when the reduction in funding and positions would be imposed. This is a badly considered reduction in support to the safety net at a time when the system is already fragile and barely able to sustain quality care at all facilities. This proposed reduction would cause unnecessary and undue chaos with a huge negative impact on regional hospital operations.

The current HHSC rules, policies, procedures, processes, programs, various technology systems and business operations differ greatly from those of the executive branch. Thus numerous system developments and improvements that have been implemented by HHSC over the course of the last twelve years would be jeopardized as the regions would now have to rely on non-hospital operations currently provided by the Department of Health. At a minimum, a more complete and thorough evaluation/analysis of this level of impact to include transition time and transition funding, needs to be undertaken to ensure continuation of services and functionality of the HHSC systems. All of the accomplishments and collaborative efforts that have already been put forth by the five regions and corporate office in accordance with processes set up by Act 290 to reduce expenditures of the hospital system would be totally ignored. Instead, millions of wasted tax dollars for new costs would be incurred by each of the five regions in their effort to rapidly duplicate services currently provided by the HHSC corporate office. This proposed direction clearly counters most other hospital systems in the country today that continually pursue operational advocate efficiency and effectiveness through ongoing centralization of shared services and management. A local example of this fundamental practice of system savings through shared services is Hawaii Pacific Health, Straub & Wilcox.

The proposed leadership, under the Department of Health, would be unable to operate the hospital system effectively with limited resources. For one thing, the present community-hospital system has significantly unique administrative requirements that necessitate the need

for greater autonomy in managing typical government functions in areas such as finance, personnel, planning, corporate compliance, procurement, etc. As a result, the proposed Department of Health leadership would be overwhelmed with operational demands, complaints, litigation and a myriad of federal and state reporting requirements. Without qualified staff and structure to deal with complex and numerous daily technical issues demanding action and qualified responses, there would be additional, unnecessary lawsuits and significant fines totaling millions of dollars per year as well as potential life threatening situations. In addition, the Department of Health would face a significant conflict with the requirement to manage the same hospitals it would be required to license and regulate.

It should be expected that a rapid downward spiral of additional expenses, reduced revenues, increased litigation and new federal fines for violations of federal compliance laws and regulations will tremendously escalate the financial decline of HHSC facilities. The Department of Health's current state organizational structure will further serve to inhibit the system's ability to respond to the ever-changing dynamics of the state's hospitals and meet the needs of the acute, long-term, and rural patients they serve. If further infrastructure cuts were imposed upon the Department of Health as proposed by the new House Budget, then the concerns expressed above would be greatly exacerbated.

4. Identify an alternative reduction for each adjustment you oppose.

The reduction in corporate office positions and funding in HB 200 HD1 is an ill-considered, unorganized and premature initiative that would harm the ability of the HHSC regions and facilities to continue to provide quality care and assure access to healthcare services for the communities served. Act 290 clearly prescribes a process in which the five regions, in coordination with the HHSC Corporate Board of Directors, establish the funding level for the HHSC corporate office for each biennium. That process was followed for the establishment of the HHSC corporate office budget that was included in the executive budget submission for HHSC. In this process the regions determined which functions and services of the corporate office they would pay for in FY 2010 and FY 2011. A key part of this process was the desire of the regions to avoid the transfer of responsibilities and higher costs from the corporate office to the regions from any premature elimination of services and staffing at the HHSC corporate office. The Corporate Office Functions and Services Implementation Plan that delineates services to be provided to regions in FY 2010 and FY 2011, according to the Act 290 process, is available upon request. For additional information are the Hawaii Health Systems Corporation Corporate Office Organization Charts and General Functions and Addendum to the HHSC Corporate Office Organization and General Functions bullet lists of services provided to regions that are also not currently performed in the regions. (Already forwarded to Stacy Ogimi, WAM Analyst)

In concert with our major effort to implement effective restructure change by moving forward the HHSC omnibus bill SB 1673 SD2, we recommend establishment of a "Blue Ribbon" Panel as suggested in June 30, 2008, HHSC System-Wide Strategic Plan submission to the leadership of the Senate of Hawaii, the House of Representatives of Hawaii and the Governor of Hawaii. That recommendation is attached for reference in the transmittal cover letter to Senate President (Attachment 2) and in the extract from June 30, 2008 HHSC System-Wide Strategic Plan (Attachment 3). Rather than making abrupt reductions to the HHSC corporate office structure with no rationale strategy and no transition, further changes should be deferred to

FY 2011 and made in accordance with the report of a "Blue Ribbon" Panel structured and established as recommended in HCR 53 or similar structure such as the June 30, 2008 HHSC recommendation. Copy of HCR 53 is attached for reference. (Attachment 4) The state's community hospital system requires a highly sensitive and dedicated form of governance quite apart from any other government service. Hospital complexity must be recognized in governance as well as management and thus reflected in a carefully thought through system evaluation process that looks not only at services provided but also at system/region governance processes. While the current system is not perfect, support, assistance and more evaluation is needed to help the systems hospitals further evolve and strengthen their viability rather than to weaken the system by regressive actions. Among the tasks of the blue ribbon panel would be:

- Defining relationships among the agency, regional boards, corporate board and local Facilities.
- Development of rules and bylaws for new governance.
- Discussions and negotiations with labor unions over proposed restructure.
- Determination of responsibilities and costs of central office, regional offices, and facilities.
- Determination of relationships and lines of authority within new proposed structure.

We propose that the shortfalls in HB 200 HD 1 can be solved by restoring the \$2.5 million in funding reductions imposed on the funding of the five new regional system programs (\$500,000 reduction to each region). We suggest this funding restoration can be achieved by changing reducing general funds for electronic health records in FY 2010 by \$2.5 million (\$2,500,000) and by reducing stimulus funding (V) by \$22.5 million (\$22,500,000) in FY 2010 and increasing general funds (A) for electronic health records in FY 2011 by \$2.5 million (\$2,500,000) and increasing stimulus funding (V) by \$22.5 million in FY 2011.

We propose that the transfer of funds and establishment of two positions in Department of Health would be eliminated from the budget worksheets but that these funds in the amount of \$150,000 be redirected to support the conduct of the recommended "Blue Ribbon" Panel for evaluation of the HHSC System Support concept.

We propose the reduction of twenty-five positions in the corporate office would be eliminated from the budget worksheets. The restoration of \$2.5 million (\$2,500,000) in funding for HHSC regions and elimination of funding and position transfers from HHSC to the Department of Health and the elimination from budget worksheets of the reduction of twenty-five (25) positions in the corporate office will restore the majority of reductions in to the FY 2010 corporate office budget, allowing the corporate office to provide the services agreed to and required by the five HHSC regions for FY 2010. At the same time, the recommended "Blue Ribbon" Panel can conduct a corporate system evaluation and report back to the 2010 legislation session the results of their evaluation effort.

We recommend that increasing general funds (A) for electronic health records by 2.5 million dollars (\$2,500,000) in FY 2011 would be accommodated by reducing general funds subsidy (A) to the five regions by 2.5 million dollars (\$2,500,000), \$500,000 reduction for each region. It is essential for the blue ribbon panel to be established in FY 2010 to recommend to the HHSC regional system boards and the HHSC Corporate Board of Directors and the Legislature the legislative and structural changes that need to be made to accommodate the \$2.5 million in FY 2011 budget reductions and for further restructuring HHSC and its regions for the future.

In regards to the adjustments made to the capital appropriations, HHSC supports the addition and provides the following comments

\$7, 200,000 - Maui, New Dialysis Unit (FY 10) (Attachment 5)

The Dialysis department at MMMC needs to be upgraded immediately. The area utilized for inpatient dialysis is in need of major renovations. The attached Table R provides the rationale and impact of the project to the community.

\$2,300,000 - Maui, New Helipad (FY 10) (Attachment 6)

The Helipad request is critical for improved patient care as it reduces the transport time by providing point to point patient transport. MMMC opened bids for construction of a Helipad and the requested amount is necessary to complete the project. Maui County currently has helicopter patient transport and landing is done at the War Memorial Complex with transport by ambulance to and from the MMMC. See attached Table R which provides further rationale and impact of the project.

\$5,000,000 - Maui, Phase II Improvement and Expansion (Molokai North/OB/OR/SNF/Molokini) (FY 11) (Attachment 7)

MMMC needs to renovate, expand and improve its services to the community. Operating Room (OR), OB/L & D/Nursery, Med/Surg wing and other ancillary departments are planned for this new wing. See attached Table R for more info of the rationale and impact of the project.

\$5,000,000 - Kula, New 30-bed LTC Facility (FY 10) (Attachment 8)

The community needs additional long-term care beds as the population ages. The lack of long-term care beds affect MMMC's acute beds. Long-term patients occupying acute beds are inappropriate patient care as well as reduces the number of MMMC's acute beds. See attached Table R for more information on rationale and impact.

Your consideration and support of the recommended changes is greatly appreciated. Should you have any questions, please call Kelley C. Roberson at 733-4171 or 733-4029

Attachments



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

"Touching Lives Everyday"

November 26, 2007

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation Board of Directors
Act 290, SLH 2007**

Pursuant to Act 290, SLH 2007, the corporation and the newly established regional system boards shall report to the legislature within thirty days of the establishment of the newly created boards.

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC) Board of Directors (BOD) completed transition and was established on Monday, November 19, 2007.

Board Officers and Physician members were nominated and selected for the period FY2008-2009.

Board Officers are:

- Dr. Andrew Don, Maui, Board Chair
- Mr. Barry Taniguchi, East Hawaii, Board Vice Chair
- Mr. Raymond Ono, Oahu, Board Secretary/Treasurer

Physician members appointed to the Board from regional system II (Kauai Region) are: Dr. Gerald Tomory and Dr. William Shankel.

A Corporate Board/Regional System Board Policy Committee has also been established. Directors Ms. M. Jean Odo and Mr. Avery Chumbley are selected to represent the HHSC Corporate Board and Mr. Clifford Nakea, is alternate representative.

I am pleased to report to you on this completion of establishment of the new HHSC Board of Directors that is dedicated to enhanced community-based governance for the State's quality health care system of acute, long-term care and rural community services.

Sincerely,

Thomas M. Driskill, Jr.
President & Chief Executive Officer



WEST KAUAI MEDICAL CENTER – MAHELONA MEDICAL CENTER
WEST KAUAI CLINICS – WAIMEA, ELEELE, KALAHEO
HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Everyday"

Orianna Skomoroch
Regional CEO

November 28, 2007

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation
Kauai Regional System Board of Directors
Act 290, SLH 2007**

Pursuant to Act 290, SLH 2007, the corporation and the newly established regional system boards shall report to the legislature within thirty days of the establishment of the newly created boards.

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC), Kauai Regional System Board of Directors (BOD) was established on November 27, 2007.

Board Officers were nominated and selected for the period FY2008-2009.

Board Officers are:

Mr. Norman Akita, Board Chair

Timothy B. Crane, MD, Board Vice Chair

Mr. David Peters, Board Secretary/Treasurer

A Corporate Board/Regional System Board Policy Committee has also been established. Kauai Regional System Director Timothy B. Crane, MD is selected to represent the HHSC Kauai Regional System Board. We have also chosen Kauai Regional System Director Mariano Torres, MD as the alternate representative for this committee.

I am pleased to report to you on this completion of establishment of the new HHSC Kauai Regional System Board of Directors that is dedicated to enhanced community-based governance for the Kauai Region in the State's quality health care system of acute, long-term care and rural community services.

Sincerely,

Ms. Orianna Skomoroch, M.A., C.R.A.
Kauai Regional Chief Executive Officer
West Kauai Medical Center / KVMH
West Kauai Clinics – Waimea, Eleele, Kalaheo
Mahelona Medical Center /SMMH

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**OAHU REGION
HAWAII HEALTH SYSTEMS CORPORATION**

December 6, 2007

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation
Oahu Regional System Board of Directors
Act 290, SLH 2007**

Pursuant to Act 290, SLH 2007, the corporation and the newly established regional system boards shall report to the legislature within thirty days of the establishment of the newly created boards.

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC), Oahu Regional System Board of Directors (BOD) was established on December 4, 2007.

Board Officers were nominated and selected for the period FY2008-2009.

Board Officers are:

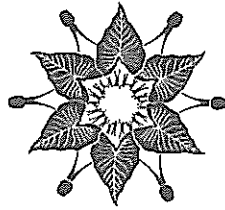
D. William Wood, Ph.D., Board Chair
Stephanie Marshall, Board Vice Chair
Michael Masuda, Board Secretary/Treasurer

A Corporate Board/Regional System Board Policy Committee has also been established. Oahu Regional System Director Paul Nielson, M.D., is selected to represent the HHSC Oahu Regional System.

I am pleased to report to you on this completion of establishment of the new HHSC Oahu Regional System Board of Directors that is dedicated to enhanced community-based governance for the Oahu Region in the State's quality health care system of acute, long-term care and rural community services.

Sincerely,

VINCENT H.S. LEE, FACHE
Oahu Regional Chief Executive Officer



**Maui Memorial
MEDICAL CENTER**

Hawaii Health Systems Corporation — Maui Region

December 18, 2007

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation
Maui Regional System Board of Directors
Act 290, SLH 2007**

Pursuant to Act 290, SLH 2007, the corporation and the newly established regional system boards shall report to the legislature within thirty days of the establishment of the newly created boards.

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC), Maui Regional System Board of Directors (BOD) was established on December 4, 2007.

Board Officers were nominated and selected for the period FY 2008-2009.

Board Officers are:

**Clay Sutherland, Board Chair
Gina Flammer, Board Vice Chair
Donna McCleary, M.D., Board Secretary
Stephen Holaday, Board Treasurer**

A Corporate Board/Regional System Board Policy Committee has also been established. Maui Regional System Director, Donna McCleary, M.D., is selected to represent the Maui Regional System.

I am pleased to report to you on this completion of establishment of the new HHSC Maui Regional System Board of Directors that is dedicated to enhanced community-based governance for the Maui Region in the State's quality health care system of acute, long-term care and rural community services.

Sincerely,


Wesley Lo
Maui Regional Chief Executive Officer



May 8, 2008

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation
East Hawaii Regional System Board of Directors
Act 290, SLH 2007**

Pursuant to Act 290, SLH 2007, the corporation and the newly established regional system boards shall report to the legislature within thirty days of the establishment of the newly created boards.

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC), East Hawaii Regional System Board of Directors (BOD) was established on May 7, 2008.

Board Officers were nominated and selected for the period FY2008-2009.

Board Officers are:

Robert Irvine, M.D., Board Chair
Alan Okamoto, Esq., Board Vice Chair
Carol Iadaluca-Myrianthis, Board Secretary/Treasurer

A Corporate Board/Regional System Board Policy Committee has also been established. East Hawaii Regional System Director Dr. Robert Irvine is selected to represent the HHSC East Hawaii Regional System Board. We have also chosen East Hawaii Regional System Director Alan Okamoto, Esq., as the alternate representative for this committee.

I am pleased to report to you on this completion of establishment of the new HHSC East Hawaii Regional System Board of Directors that is dedicated to enhanced community-based governance for the East Hawaii Region in the State's quality health care system of acute, long-term care and rural community services.

Sincerely,

Ronald J. Schurra
East Hawaii Regional Chief Executive Officer

1190 Waiianuenue Ave. Hilo, Hawai'i 96720-2020
Phn: 808-974-4700 Fax: 808-974-4746

Hawaii Health Systems Corporation



May 7, 2008

**Report to the Legislature on Establishment of the
Hawaii Health Systems Corporation
West Hawaii Regional System Board of Directors
Act 290, SLH 2007**

*Pursuant to Act 290, SLH 2007, the corporation and the newly established
Regional system boards shall report to the Legislature within thirty days of the
Establishment of the newly created boards.*

This is to report to the Legislature that the new Hawaii Health Systems Corporation (HHSC),
West Hawaii Regional System Board of Directors (BOD) was established on May 7, 2008.

Board Officers were nominated and selected for the period FY2008-2009.

Board Officers are:

Elizabeth H. Zagorodney, Board Chair
Richard J. Taaffe, Board Vice Chair
James W. Higgins, Board Secretary/ Treasurer

A Corporate Board/Regional System Board Policy Committee has also been established. West
Hawaii Regional System Director Richard J. Taaffe is selected to represent the HHSC West
Hawaii Regional System Board.

I am pleased to report to you on this completion of establishment of the new HHSC West Hawaii
Regional System Board of Directors that is dedicated to enhanced community-based
governance for the West Hawaii Region in the State's quality healthcare system of acute, long-
term care and rural community services.

Sincerely,

Earl Greenia, FACHE
Interim Regional Chief Executive Officer

KONA COMMUNITY HOSPITAL
HAWAII HEALTH SYSTEMS CORPORATION
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