February 1, 2006

The Honorable Robert Bunda
Senate President
The Senate
Hawaii State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President:

In accordance to Act 178, SLH 2005, Section 160, the Hawaii Health Systems Corporation submits the reports on the certification of losses under the state plan amendment for the quarter ending December 31, 2005.

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

Sincerely,

Kelley C. Roberson, COO & CFO
THOMAS M. DRISKILL, Jr.
President and Chief Executive Officer

Attachments
February 1, 2006

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

Dear Mr. Speaker:

In accordance to Act 178, SLH 2005, Section 160, the Hawaii Health Systems Corporation submits the reports on the certification of losses under the state plan amendment for the quarter ending December 31, 2005.

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

Sincerely,

[Signature]
Kelley C. Roberson, COO & CFO  
THOMAS M. DRISKILL, Jr.  
President and Chief Executive Officer

Attachments
January 31, 2006

COO/CFO-06-014

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

SUBJECT: Certification of HHSC Medicaid Losses for Quarter Ended December 31, 2005

Dear Brian:

I certify under penalty of perjury that the information provided on the attached worksheet showing HHSC losses from the Medicaid program of $5,029,978 for the quarter ended December 31, 2005 are true and correct. The cumulative losses for FY 2006 for the period ended December 31, 2005 amounted to $7,984,954 fewer amounts reported last quarter of $2,954,976 resulted in this quarterly loss. The losses were calculated using the latest information available for the period claimed, and that the funds/contributions are expended as necessary for federal matching funds pursuant to the requirement of 42CFR 433.51, and that these claimed expenditures have not previously been nor shall not subsequently be used for federal match in this or any other program. I am aware that this information is to be used for filing of a claim with the Federal government for Federal funds and that knowing misrepresentation constitutes violation of the Federal False Claims Act.

Sincerely,

[Signature]

KELLEY C. ROBERSON
Chief Operating Officer and Chief Financial Officer
Hawaii Health Systems Corporation

Attachment
<table>
<thead>
<tr>
<th>FACILITY</th>
<th>DAYS</th>
<th>CHARGES</th>
<th>COST</th>
<th>REMBM</th>
<th>LOSS</th>
<th>PRIOR LOSS</th>
<th>DIF</th>
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<th>COST</th>
<th>REMBM</th>
<th>LOSS</th>
<th>PRIOR LOSS</th>
<th>DIF</th>
<th>TOTAL LOSS</th>
<th>PRIOR LOSS</th>
<th>DEF</th>
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<tbody>
<tr>
<td>HAWAII</td>
<td>324</td>
<td>2,785</td>
<td>5,991,618</td>
<td>2,693,251</td>
<td>1,544,879</td>
<td>(1,348,481)</td>
<td>(479,670)</td>
<td>14,446</td>
<td>1,159,995</td>
<td>3,441,365</td>
<td>3,238,816</td>
<td>(544,405)</td>
<td>(148,229)</td>
<td>(506,176)</td>
<td>(205,195)</td>
<td>(301,981)</td>
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<tr>
<td>KOHALA</td>
<td>174</td>
<td>755</td>
<td>1,848,923</td>
<td>974,442</td>
<td>503,522</td>
<td>(281,282)</td>
<td>(19,748)</td>
<td>(105,292)</td>
<td>10,050</td>
<td>4,141,388</td>
<td>5,076,816</td>
<td>3,669,816</td>
<td>(1,410,000)</td>
<td>(565,150)</td>
<td>(844,850)</td>
<td>(564,810)</td>
</tr>
<tr>
<td>LEHUA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAUNA</td>
<td>392</td>
<td>3,286</td>
<td>7,217,273</td>
<td>3,319,461</td>
<td>1,528,277</td>
<td>(1,958,200)</td>
<td>(567,774)</td>
<td>(1,206,621)</td>
<td>25,056</td>
<td>4,716,359</td>
<td>4,652,351</td>
<td>4,156,516</td>
<td>(490,735)</td>
<td>(6,729)</td>
<td>(441,005)</td>
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<tr>
<td>SWAHI</td>
<td>15</td>
<td>928</td>
<td>206,984</td>
<td>221,575</td>
<td>127,977</td>
<td>(20,613)</td>
<td>(324)</td>
<td>(27,523)</td>
<td>10,960</td>
<td>2,008,526</td>
<td>3,638,521</td>
<td>3,837,909</td>
<td>(4,717,918)</td>
<td>(112,392)</td>
<td>(392,205)</td>
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<tr>
<td>TOTAL HHC</td>
<td>865</td>
<td>8,072</td>
<td>15,012,920</td>
<td>7,409,121</td>
<td>3,182,629</td>
<td>(3,416,430)</td>
<td>(1,455,120)</td>
<td>(2,903,729)</td>
<td>103,270</td>
<td>27,432,892</td>
<td>27,324,947</td>
<td>22,970,274</td>
<td>(4,456,492)</td>
<td>(1,561,543)</td>
<td>(2,894,950)</td>
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</tr>
</tbody>
</table>

(1) Per NHSC Accounts Receivable for Medicaid Acute inpatient hospitals as of 12/31/05, reimbursement does not include capital pass thru's on days.
(2) Frn HHC Cost Report for 7/1/05 to 12/31/05.
(3) Frn HHC Cost Report for 7/1/05 to 12/31/05.
(4) Excluding 7/1 - 12/31/05 LTC R&B. Average charges per Medicare patient days.
(5) FY 05 Medicaid LTC routine cost per day x Medicare days.
(6) Medicaid Days x FFS rates for 7/1/05 to 12/31/05.
(7) Remb - Cost
(8) Loss reported in previous report
(9) Current Loss - Previous Reported Loss

Date Computed: 01/28/2006
January 31, 2006

COO/CFO-06-015

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

SUBJECT:  Uncompensated Costs of HHSC Quest, Uninsured and Medicaid Outpatient for the Quarter ended December 31, 2005

Dear Brian:

I certify under penalty of perjury that the information provided on the attached worksheet showing HHSC losses from participation in the Quest program, provision of services to uninsured patients and provision of Medicaid outpatient services of $4,244,120 for the quarter ended December 31, 2005 are true and correct. The cumulative losses for FY 2006 for the period ended December 31, 2005 amounted to $8,290,307 less amount reported last quarter of $4,046,188 resulted in this quarter’s reported loss. The losses were calculated using the latest information available for the period claimed; and the funds/contributions were expended as necessary for federal matching funds pursuant to the requirement of 42CFR 433.51. These claimed expenditures have not previously been and shall not subsequently be used for federal match in this or any other program. I am aware that this information is to be used for filing of a claim with the Federal government for Federal funds and that knowing misrepresentation constitutes violation of the Federal False Claims Act.

Sincerely,

KELLEY C. ROBERSON  
Chief Operating Officer and Chief Financial Officer  
Hawaii Health Systems Corporation

Attachment
<table>
<thead>
<tr>
<th>Facility</th>
<th>CHARGES</th>
<th>COST</th>
<th>GROSS RATIO</th>
<th>REMB</th>
<th>LOSS</th>
<th>RMB</th>
<th>TOTAL LOSS</th>
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<td>33254</td>
<td>12060</td>
<td>107.7%</td>
<td>1769</td>
<td>2389</td>
<td>21292</td>
<td>34124</td>
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<tr>
<td>GCA</td>
<td>38178</td>
<td>16739</td>
<td>121.3%</td>
<td>2338</td>
<td>2253</td>
<td>28971</td>
<td>23731</td>
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<tr>
<td>FCA</td>
<td>30830</td>
<td>11760</td>
<td>135.6%</td>
<td>2129</td>
<td>1366</td>
<td>27325</td>
<td>12629</td>
</tr>
<tr>
<td>SCA</td>
<td>11862</td>
<td>4759</td>
<td>203.9%</td>
<td>2129</td>
<td>2269</td>
<td>24981</td>
<td>12254</td>
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<tr>
<td>HCA</td>
<td>13067</td>
<td>5222</td>
<td>250.0%</td>
<td>2129</td>
<td>2129</td>
<td>25275</td>
<td>13161</td>
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<tr>
<td>BCA</td>
<td>11467</td>
<td>4546</td>
<td>252.7%</td>
<td>2129</td>
<td>2129</td>
<td>25275</td>
<td>13161</td>
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<tr>
<td>LCA</td>
<td>6704</td>
<td>2940</td>
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<td>2129</td>
<td>1976</td>
<td>22180</td>
<td>10406</td>
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<tr>
<td>MAU</td>
<td>1066</td>
<td>416</td>
<td>218.9%</td>
<td>2129</td>
<td>2129</td>
<td>25275</td>
<td>13161</td>
</tr>
<tr>
<td>MSA</td>
<td>1066</td>
<td>416</td>
<td>218.9%</td>
<td>2129</td>
<td>2129</td>
<td>25275</td>
<td>13161</td>
</tr>
</tbody>
</table>

**TOTAL LOSS:** 126295