

March 14, 2011

Mr. Michael Tarwater Chief Executive Officer Carolinas HealthCare System P.O. Box 32861 Charlotte, NC 28232-2861

Dear Mike:

I am writing to follow-up on our meeting this afternoon regarding Carolinas HealthCare System's desire to file a Certificate of Need (CON) for additional inpatient psychiatric beds in Mecklenburg County. It is my decision to not sign the Memorandum of Agreement (MOA), regarding the CON, you requested at this time. Mecklenburg County values its relationship with Carolinas HealthCare System and fully appreciates the contributions that CHS has made to this community.

I want to reiterate the items that we agreed to:

- Continue to discuss the relationship between Mecklenburg County and Carolinas HealthCare System this would include all components of the current Interlocal Agreement. I will expand upon my letter of February 24, 2011 with specifics regarding our funding relationship in a future correspondence.
- Our discussions should focus on the potential impact of any additional inpatient psychiatric beds and the management of the Behavioral Health Center by CHS.

Furthermore, I want to make it clear that my decision to not sign the MOA does not, in any way, imply a lack of support for additional inpatient psychiatric beds in Mecklenburg County. However, it is my duty and responsibility as County Manager to be thoughtful and deliberate with any decision regarding the continuum of mental health services that are provided in this community – particularly in the areas for which the County provides direct funding.

It is my intent to begin discussions with my Board, in the next two weeks, outlining our recent discussions and the findings of the New Heights Study. I would anticipate additional questions to emerge from the discussions with my Board.

Additionally, I will provide more specific requests for information shortly.

Kind regards, cc: Michelle Lancaster
Dena Diorio

Greg Gombar Joe Piemont

Harry L. Jones, Sr. County Manager