



MECKLENBURG COUNTY
Finance Department

Dena R. Diorio
Director of Finance

May 18, 2011

Greg A. Gombar, CPA
Executive Vice President and CFO
Carolinas HealthCare System
Charlotte, North Carolina

SENT VIA EMAIL

Dear Greg,

As Mecklenburg County continues to evaluate the services and the financial relationship with CHS, I am requesting that you provide the following information related to CMC Randolph:

1. For FY2010 and FY2011 through March, provide gross charges by revenue code and payer type.
2. For FY2010 and FY2011 through March, provide net charges by revenue code and payer type.
3. Provide an extract of all billing data or all 837 and 835 files for the last 12 months. The billing data should be provided in tab delimited flat file. If this cannot be provided, copies of all 837 and 835 files to all payers will suffice.
4. For FY2010 and FY2011 through March, provide the revenue deductions split into contractual allowances, charitable write-offs, DSH payments and denials/no authorization, by payer type.
5. How much was credited into the net revenue for DSH payments for the last 5 fiscal years?
6. For FY2010 and FY2011 through March, identify revenue for CMC Randolph by emergency room and inpatient for all admissions.
7. Provide copies of all negotiated contracts with insurance providers with agreed-upon fee schedules.

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8. For FY2010 and FY2011 through March, provide your detailed line item profit and loss with actual expenses on a monthly basis.
9. For FY2010 and FY2011 through March, provide your detailed line item budget compared to actual expenses on a monthly basis.
10. Intercompany expenses – provide the % that this represents of the total amount to be allocated to all entities, ie. Courier is \$32,320 and this is 10% of the total costs (total amount to be allocated is \$323,200 with remaining 90% allocated to other facilities).
11. Provide payroll by position for the last 12 payroll periods; this should be by individual staff member without the name – just list the position.
12. Provide monthly headcount by program; split between inpatient, emergency room/department and observation beds.
13. In July 2010, you provided a list of concerns related to the 1915b/c Medicaid Waiver. In that list item number 6 addresses the receipt of payments for basic DSH and graduated medical education. Provide the amount of payments attributable to CMC Randolph for the last three fiscal years and identify where this is accounted for in the provided financial statements.
14. In the same list of concerns about the 1915b/c Medicaid Waiver, item number 10 addresses reimbursement for the Medicaid Reimbursement Initiative. Provide the amount of reimbursements attributable to CMC Randolph for the last three fiscal years and identify where this is accounted for in the provided financial statements.
15. In the Intercompany Expense Breakdown for second quarter of FY11, the laundry services allocated to the hospital as directly assignable costs are \$52,443. In the Medicare Cost Report for 2009, Worksheet B Part I, Cost Allocation – General Service Costs, the entire laundry costs associated with subprovider 31 is \$1,167 for the entire year. Please explain the differences between allocations in the MC Cost Report and the financial statements used to determine Mecklenburg County's required funding. This explanation should provide a full crosswalk of the Medicare Cost Report to the financials. The total expenses for subprovider 31 in the 2009 Cost Report is \$12.5 million, a figure far less than any provided to Mecklenburg County as the basis for additional funding.

I appreciate your responding as soon as possible. If you have questions or need any clarification, please feel free to contact me.

Sincerely,

Dena R. Diorio

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