



**MECKLENBURG COUNTY**  
Office of the County Manager

May 25, 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 in writing regarding my recommended budget. As we discussed by telephone on May 17 my budget recommendation is as follows:

- A. My recommended budget for FY 2012 eliminates the indigent care pool in its entirety;
- B. My recommended budget for FY 2012 will hold funding flat for the Behavioral Health Center (CMC-Randolph);
- C. My recommended budget for FY 2012 will provide funding for Public Health in the manner called for in the current agreement.

I want to acknowledge and thank you for your April 4 offer to permanently change the indigent policy in a manner that would save the County \$7.7 million for FY 2012, however as I shared in my budget remarks, I do not believe this goes far enough.

Additionally, I am also recommending that we phase out the County's subsidy for Carolinas HealthCare System's operation of the Behavioral Health Center. The recommended budget maintains the current year's funding level for this subsidy, but proposes to phase out this funding over three years. I am suggesting a Blue Ribbon Committee to develop a phase-out transition plan for Board consideration by February 2012. Ideally, it would be great for this community if we could get both CHS and Presbyterian/Novant to collaborate on an approach for providing in-patient mental health services.

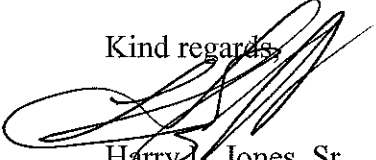
My recommendation does not address the rebatement noted in your April 4 letter from the indigent pool, however I would anticipate the return of these funds by July 15, 2011 as you have outlined, which would have a positive effect on the County fund balance for FY 2012.

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As I have shared with you numerous times over the past several months, the longstanding, mutually beneficial relationship between our two organizations is one that I am immensely proud of. Please let me know if you have any questions or concerns.

Kind regards,

A handwritten signature in black ink, appearing to read 'H. Jones, Sr.', written over the 'Kind regards,' text.

Harry L. Jones, Sr.  
County Manager

Cc: Michelle Lancaster  
Marvin Bethune  
Keith Smith