



The Charlotte-Mecklenburg Hospital Authority

Office of General Counsel
704 355-3063
Fax 704 355-6330

May 25, 2011

Marvin A. Bethune, Esq.
Ruff, Bond, Cobb, Wade & Bethune, L.L.P.
831 E. Morehead Street, Suite 860
Charlotte, NC 28202

by hand delivery

Dear Marvin:

I understand that, in a May 12, 2011, email to Buck Wiggins, Michelle Lancaster requested, on behalf of Mecklenburg County, detailed information relating to direct program expense for FY 2010. Buck and our Finance Department indicated their anticipated response to this request by May 27, 2011.

In my letter to you of May 20, 2011, I asked that all communications from Mecklenburg County related to the services provided to the County by Carolinas HealthCare System under the November 2, 2000, Restated Consolidated Shared Programs Joint Undertaking Agreement be directed to me. Obviously, Ms. Lancaster's request was made prior to my May 20th letter, but in keeping with CHS's plan for centralized communications between us, I am providing to you the requested breakdown of expenses by program and trust that you will pass it on to Ms. Lancaster.

Thank you.

Sincerely,

Keith A. Smith
Senior Vice President and General Counsel

KAS/j

Enclosures

Carolinas HealthCare System contract July 2009 - June 2010
Public Health Department

Division	Major Program	Personnel	Professional Fees / Purchased			Supplies	Other (2)	Capital Outlay	Total CHS Budget (Actual Expense)
			Services	Supplies	Other (2)				
Clinical Services	Breast and Cervical Cancer	\$ 218,105	\$ 166	\$ 9,095	\$ 77,629	\$ -	\$ 304,995		
	Child Health	105,657	8,879	(125)	22,581	-	136,992		
	Dental Clinic	958,487	45,560	74,956	323,336	12,535	1,414,874		
	Family Planning	1,180,774	49,273	303,072	615,259	2,214	2,150,592		
	Health Check Coordinator	45,388	200	107	21,068	-	66,764		
	HIV Service Enhancement	79,468	317	-	38,988	-	118,773		
	Immunizations	518,894	1,579	122,515	356,546	1,660	1,001,193		
	Mammography	124,868	124,366	9,384	75,246	-	333,863		
	Refugee Health	111,874	14,710	5,069	86,380	-	218,032		
	SS Health Check Coordinator	61,159	-	439	26,283	-	87,881		
	Sexually Transmitted Disease Control	716,283	1,027	25,243	566,031	-	1,308,583		
	Tuberculosis Control	668,537	14,656	17,771	355,831	1,205	1,058,000		
	Women, Infant, and Children	2,592,904	3,987	106,998	1,682,899	49,202	4,435,990		
	Wise Woman	53,408	8,230	1,243	16,379	-	79,259		
Women's Health	74,001	18,273	32	51,242	-	143,549			
TOTAL DIVISION	\$ 7,509,806	\$ 291,222	\$ 675,799	\$ 4,315,697	\$ 66,816	\$ 12,859,340			
Community Services	Community Alternatives Prog/Disabled Adults	\$ 320,183	\$ 86,978	\$ 28	\$ 100,587	\$ -	\$ 507,776		
	Community Alternatives Program/Children	1,156,733	505,901	10,560	461,165	-	2,134,358		
	Child Services Coordination	505,301	3,288	623	153,980	-	663,192		
	HIV Case Management	459,777	2,689	2,656	143,484	763	609,368		
	HIV Counsel/Testing	131,946	365	1,089	380,404	-	513,805		
	HIV/AIDS EduOutreac	213,873	-	14,230	71,570	-	299,674		
	Health Promotion	807,159	90,533	76,623	275,468	71,278	1,321,060		
	Jail Testing	117,514	4,575	9,985	53,578	1,184	186,836		
	Maternity Care Coordination	707,910	1,473	1,774	300,361	-	1,011,519		
	Positive Possibilities	62,894	-	6,005	21,054	-	89,953		
	Smart Start @ Home	530,134	2,195	10,229	144,926	-	687,484		
	Syphilis Elimination	70,897	-	3,194	42,083	-	116,175		
	SS CCHC	165,595	2,150	16,932	41,495	6,615	232,787		
	SS Healthy Futures	9,228	21,699	1,070	1,272	-	33,269		
TOTAL DIVISION	\$ 5,259,146	\$ 721,845	\$ 154,997	\$ 2,191,426	\$ 79,840	\$ 8,407,255			

Carolinas HealthCare System contract July 2009 - June 2010
Public Health Department

Division	Major Program	Personnel	Professional Fees / Purchased					Capital Outlay	Total CHS Budget (Actual Expense)
			Services	Supplies	Other (2)				
School Health Services	Admin - School Health	\$ 1,200,982	\$ 1,207	\$ 485	\$ 156,845	\$ 2,227	\$ 1,361,746		
	Dental Community	266,750	-	495	31,339	-	298,584		
	School Health	6,626,602	1,469	11,310	874,163	-	7,513,542		
	Asthma Initiative Grant	92,445	-	1,451	20,927	-	114,823		
	Exceptional Children's Nurse	91,128	-	-	15,192	-	106,319		
	Pre-K BB Nurse - SS	7,113	-	-	2,297	-	9,410		
	State Funded School Nurse	49,711	-	-	7,160	-	56,871		
	System of Care Nurse	4,847	-	-	2,774	-	7,622		
	TOTAL DIVISION	\$ 8,339,578	\$ 2,676	\$ 13,740	\$ 1,110,696	\$ 2,227	\$ 9,468,917		
	Admin & Support Services	Bio Terrorism Response	\$ 146,277	\$ -	\$ -	\$ 17,584	\$ -	\$ 163,860	
	Epidemiology	352,153	3,000	1,166	64,295	-	420,615		
	H1N1 Swine Flu	902,673	988	23,238	14,169	6,964	948,031		
	Admin, Accounting, IT, Lab, Patient Accounts, Patient Registration, Medical Records, Volunteer Prog, Audits/QI, Process Improvements, Grants, PH Ed and Other Facility Operation Exp (2)				92,402	176,056	268,458		
TOTAL CAROLINAS HEALTHCARE CONTRACT		\$ 22,509,632	\$ 1,019,730	\$ 868,941	\$ 7,806,270	\$ 331,903	\$ 32,536,476		
Additional Corp Charges (1)				\$ 904,406		\$	904,406		
CHS June 30, 2010 Year End P&L Stmt		\$ 22,509,632	\$ 1,019,730	\$ 868,941	\$ 8,710,676	\$ 331,903	\$ 33,440,882		

(1) Beginning In 2008, CHS changed to a more comprehensive allocation method to distribute all of it's centralized costs to the CHS facilities. While this change resulted in the allocation of additional costs that are properly borne by Public Health, CHS elected to absorb the additional allocations rather than pass on to the County.
 (2) These cost are not a direct expense to specific programs but are consolidated and then allocated in total to the programs using a consistent methodology.

Robbins, Jane

From: Lancaster, Michelle [Michelle.Lancaster@mecklenburgcountync.gov]
Sent: Tuesday, May 17, 2011 11:27 AM
To: Hale, Carol
Cc: Sauvain, Peter; Wiggins, Buck
Subject: Re: Public Health Tab 2 of File

Thanks Carol - I appreciate your help.

Michelle Lancaster-Sandlin

On May 17, 2011, at 11:24 AM, "Hale, Carol" <Carol.Hale@carolinashealthcare.org> wrote:

> Michelle,
>
> We can provide greater detail of direct program expenses for FY2010. While this will take some time to summarize for each of the 40 programs, we are targeting to have complete by May 27. I will keep you posted.
>
> Please call with questions.
>
> Thanks.
>
>
> Carol Davis Hale, CPA
> Vice President Finance
> Carolinas HealthCare System
>
> Phone (704) 512-3733
>
>
> -----Original Message-----
> From: Wiggins, Buck
> Sent: Thursday, May 12, 2011 5:10 PM
> To: Lancaster, Michelle
> Cc: Hale, Carol; Sauvain, Peter
> Subject: RE: Public Health Tab 2 of File
>
> I will have to see what we have. I am sure we have detailed performance reports but my fear is that they are on a calendar year basis, not county year basis, which may be hard to reconcile. I will get back to you.
>
> -----Original Message-----
> From: Lancaster, Michelle
> [mailto:Michelle.Lancaster@mecklenburgcountync.gov]
> Sent: Thursday, May 12, 2011 11:07 AM
> To: Wiggins, Buck
> Subject: RE: Public Health Tab 2 of File
>
> Buck - thanks for this information - do you keep further breakdowns by
> program - salaries/benefits, commodities, etc? I appreciate your help
> with this.
>
> -----Original Message-----

> From: Wiggins, Buck [mailto:Buck.Wiggins@carolinashealthcare.org]
> Sent: Thursday, May 05, 2011 11:07 AM
> To: Lancaster, Michelle
> Cc: Piemont, Joseph; Gombar, Greg; Hale, Carol
> Subject: FW: Public Health Tab 2 of File

>
> Michelle, hope you are doing well today. I have attached a file that
> provides you with a breakdown of County funding by Public Health
> program. This data is for fiscal year ended 6-30-10 and while it is
> last years data, it should directionally provide you the information
> you are seeking, which is how the County funds provided to PH are
> used. As you might expect, the majority of County funding is being
> applied to the non-mandatory school health services.

>
> This file above totals \$18.4 million in County funding which is less
> than what the County is contractually funding this fiscal year, which
> is
> \$20.1 million. If you recall, PH returned to the County \$1.3 million
> of fy 6-30-10 funding to help with last years budget shortfall.

>
> Let me know if you need any additional information

>
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disclose its contents or take any action in reliance on the information it contains. Thank you.

Robbins, Jane

From: Wiggins, Buck
Sent: Thursday, May 05, 2011 11:07 AM
To: michelle.lancaster@mecklenburgcountync.gov
Cc: Piemont, Joseph; Gombar, Greg; Hale, Carol
Subject: FW: Public Health Tab 2 of File

Attachments: img-504150503-0001.pdf



img-504150503-001.pdf (59 KB).

Michelle, hope you are doing well today. I have attached a file that provides you with a breakdown of County funding by Public Health program. This data is for fiscal year ended 6-30-10 and while it is last years data, it should directionally provide you the information you are seeking, which is how the County funds provided to PH are used. As you might expect, the majority of County funding is being applied to the non-mandatory school health services.

This file above totals \$18.4 million in County funding which is less than what the County is contractually funding this fiscal year, which is \$20.1 million. If you recall, PH returned to the County \$1.3 million of fy 6-30-10 funding to help with last years budget shortfall.

Let me know if you need any additional information

Carollinas HealthCare System contract July 2009 - June 2010
Public Health Department

5/4/2011

Division	Director	Major Program	Total CHS Budget (Actual Expense)	Patient Revenue	Federal Funding	State Funding	Other Funding	County Funding	Variance	% Co Funding by Program	# Authorized FTE		
Clinical Services	L Faulk	Breast and Cervical Cancer	\$ 304,995	\$ 1,896	\$ 280,408	\$ -	\$ -	\$ 22,691	\$ 3,1	7%	3.1		
		Child Health	136,992	-	103,152	-	-	33,840	\$ -	25%	2.1		
		Dental Clinic	1,414,874	829,992	-	108,839	56	475,988	-	34%	11.5		
		Family Planning	2,150,592	362,639	1,039,382	5,166	743,404	-	35%	16.1			
		Health Check Coordinator	66,764	48,307	-	-	18,457	-	28%	1.2			
		HIV Service Enhancement	118,773	-	-	-	118,773	-	100%	0.8			
		Immunizations	1,001,193	248,046	160,238	9,441	583,468	-	58%	8.7			
		Mammography	333,863	30,563	-	153,867	149,434	-	45%	2.2			
		Refugee Health	218,032	120,772	11,650	-	85,610	-	39%	1.6			
		SS Health Check Coordinator	87,881	-	-	68,464	-	19,417	-	22%	1.7		
		Sexually Transmitted Disease Control	1,308,583	42,242	-	44,391	10	1,221,941	-	93%	9.7		
		Tuberculosis Control	1,058,000	89,780	53,257	169,659	172	745,133	-	70%	9.6		
		Women, Infant, and Children	4,435,990	-	3,772,942	-	3,016	660,033	-	15%	56.6		
		Wise Woman	79,259	-	-	68,813	-	10,446	-	13%	0.6		
		Women's Health	143,549	33,988	-	-	-	109,561	-	76%	1.0		
		TOTAL DIVISION			\$ 12,859,340	\$ 1,808,224	\$ 5,421,029	\$ 460,166	\$ 171,727	\$ 4,998,194	\$ -	39%	126.6
		Community Services	M Reese	Community Alternatives Prog/Disabled Adults	\$ 507,776	\$ 243,082	\$ -	\$ -	\$ -	\$ 264,694	\$ -	52%	4.3
				Community Alternatives Program/Children	2,134,358	1,275,300	-	-	53	859,006	-	40%	17.9
				Child Services Coordination	663,192	333,253	143,327	7,800	178,812	-	27%	7.1	
				HIV Case Management	609,368	15,718	201,797	-	391,853	-	64%	8.1	
HIV Counsel/Testing	513,805			-	28,000	-	485,805	-	95%	2.5			
HIV/AIDS Educ/Outreach	299,674			-	-	25,000	274,674	-	92%	4.0			
Health Promotion	1,321,060			-	138,406	149,385	810,071	-	61%	13.1			
Jail Testing	186,836			-	-	34,721	37,451	-	20%	2.9			
Maternity Care Coordination	1,011,519			769,376	-	272	207,150	-	20%	10.7			
Positive Possibilities	89,953			-	83,333	-	6,620	-	7%	1.1			
Smart Start @ Home	687,484			39,862	-	537,672	109,950	-	16%	8.0			
Syphilis Elimination	116,175			-	82,579	-	33,596	-	29%	1.4			
SS CHHC	232,787			-	-	199,751	33,036	-	14%	2.7			
SS Healthy Futures	33,269			-	-	21,500	-	11,769	-	35%	0.1		
TOTAL DIVISION					\$ 8,407,255	\$ 2,676,591	\$ 677,443	\$ 1,061,089	\$ 287,647	\$ 3,704,485	\$ -	44%	83.8
School Health Services	M Bonaiuto			Admin - School Health	\$ 1,361,746	\$ -	\$ -	\$ -	\$ -	\$ 1,361,746	\$ -	100%	14.9
				Dental Community	298,584	-	-	-	298,584	-	100%	3.4	
				School Health	7,513,542	-	-	88,666	7,403,371	-	99%	94.8	
				Asthma Initiative Grant	114,823	-	-	-	108,548	6,275	5%	1.3	
				Exceptional Children's Nurse	106,319	-	-	-	100,000	6,319	6%	1.5	
		Pre-K 08 Nurse - SS	9,410	-	-	-	9,410	-	100%	0.1			
		State Funded School Nurse	56,871	-	-	50,000	6,871	-	12%	0.8			
		System of Care Nurse	7,622	-	-	-	6,609	1,013	13%	0.0			
		TOTAL DIVISION			\$ 9,468,917	\$ -	\$ -	\$ 138,666	\$ 236,662	\$ 9,093,589	\$ -	96%	117.0

Carolinus HealthCare System contract July 2009 - June 2010
Public Health Department

Division	Director	Major Program	Total CHS Budget (Actual Expense)	Patient Revenue	Federal Funding	State Funding	Other Funding	County Funding	Variance	% Co Funding by Program	# Authorized FTE
Admin & Support Services	P Baker & C Mihms	Bio Terrorism Response Epidemiology H1N1 Swine Flu	\$ 163,860 420,615 948,031	\$ - - -	\$ 159,121 -	\$ - 4,290 616,535	\$ - -	\$ 4,740 416,324	\$ - -	3% 99% 0%	0.9 5.1 13.4
		Admin, Accounting, IT, Lab, Patient Accounts, Patient Registration, Medical Records, Volunteer Prog, Audit/CI, Process Improvements, Grants, PH Ed and Other Facility Operation Exp		5,869	-	118,473	143,152	198,526	(197,562)	74%	76.2 Program
TOTAL CAROLINUS HEALTHCARE CONTRACT			\$ 32,536,476	\$ 4,490,684	\$ 6,604,759	\$ 2,399,220	\$ 839,189	\$ 18,415,858	\$ (181,892)	56.6%	423.0
		Additional Corp Charges (1)	\$ 904,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 904,406		
		CHS June 30, 2010 Year End P&L Stmt	\$ 33,440,882	\$ 4,490,684	\$ 6,604,759	\$ 2,399,220	\$ 839,189	\$ 18,415,858	\$ 722,514	55%	
							Deferred Revenue	\$ 556,984			
							Deferred Liability	\$ 64,474			
							Capital Reserve encumbered but not spent	\$ 394,349			
							School Health Rent paid by the County	\$ 146,063			
							Paid back to County in FY 11	\$ 1,300,000			
							County 09-10 Contractual Fund Per County	\$ 20,877,728			

(1) Beginning In 2008, CHS changed to a more comprehensive allocation method to distribute all of it's centralized costs to the CHS facilities. While this change resulted in the allocation of additional costs that are properly borne by Public Health, CHS elected to allow Public Health to operate at a loss rather than to reduce services.