



MECKLENBURG COUNTY

Office of the County Manager

June 15, 2011

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

Dear Mike:

It is my hope that you and I can work to resolve the issues between Mecklenburg County and the Charlotte-Mecklenburg Hospital Authority. As leaders of two of the largest governments (excluding the State of North Carolina) in North Carolina, we have an obligation to this community to do so. I am willing and ready to recommend either of these creative solutions to the Board of County Commissioners, based on your acceptance and preference for either solution.

Solution #1

Mecklenburg County will transfer ownership of the CMC-Randolph facility to the Charlotte-Mecklenburg Hospital Authority (CMHA) on July 1, 2012 (or as soon as possible following Board approval) at a cost of \$1. As you know, we invested about \$12 million in 2008 in this excellent facility which is valued at approximately \$20 million.

CMHA would continue to own and operate 66 psychiatric beds at CMC-Randolph, and Mecklenburg County would fund the operational deficit at CMC-Randolph for FY2012; or,

Solution #2:

Mecklenburg County and CMHA would establish an Agreement for the funding of inpatient psychiatric hospitalization for medically indigent Mecklenburg County residents at CMC-Randolph. The funding model would be similar to the three-way money established by the State. In this arrangement, Mecklenburg County would pay \$750 per bed per day for Mecklenburg County residents who are documented medically indigent psychiatric patients in CMC-Randolph. As you know, Mecklenburg County is negotiating a similar agreement with Presbyterian Hospital for 8 psychiatric inpatient beds that were transferred from Broughton Hospital to Presbyterian, although the funds in this case are State dollars.

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In both solutions, Mecklenburg County would convene a Blue Ribbon Committee with participation from CMHA and other community organizations. As I outlined in my budget message, this panel of experts would develop recommendations (for consideration by the Board of County Commissioners) regarding the future role of the County and any financial support provided by Mecklenburg County, in regards to behavioral health services and other health related matters.

As I mentioned above, based on your acceptance of either creative solution, I am prepared to recommend approval of your preference to the Board of County Commissioners. In addition, upon agreement reached on either solution, Mecklenburg County, in its capacity as the Local Management Entity, will immediately sign a Memorandum of Agreement in support of CMHA's Certificate of Need filing for 44 new psychiatric beds. Finally, Mecklenburg County would withdraw its claim of breach of the Joint Undertaking and Interlocal Agreement and resume its payments to CMHA.

I welcome the opportunity to refine these proposals if you have specific concerns or consider any additional proposals that you may have.

Despite our challenging discussions over the past several weeks, I am open to finding a mutually agreeable solution that is in the best interest of all parties, including the residents of Mecklenburg County.

Kind regards,

A handwritten signature in black ink, appearing to read "Harry L. Jones, Sr.", written in a cursive style.

Harry L. Jones, Sr.
County Manager

Cc: Board of Commissioners
Marvin Bethune
Michelle Lancaster