



Public Health
HEALTH AND HUMAN SERVICES

Randall Williams, M.D.
Deputy Secretary of Health Services

Daniel Staley
Director

MEMORANDUM

TO: Local Health Directors

FROM: Danny Staley
Division Director

DATE: July 19, 2016

RE: Cost Settlement

One-time funds of \$14.8 million have been included in the recently passed budget targeted for Local Health Departments. This funding was developed as a hold harmless measure to help account for any shortfall that may occur because of the changes in cost reporting requirements. While the final outcome of the FY 13 cost settlements is still pending, we are proceeding with a process to provide the funding to local health departments. At this time, we anticipate that the funds would be sent to qualifying LHD's in the September/October timeframe.

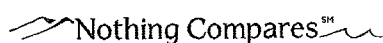
In determining the amounts that each LHD would receive, DPH and DMA went through a rigorous process that involved DHHS budget, Office of State Budget, and Fiscal Research. The approved calculation methodology is as follows:

Recalculate each interim SFY 2013 cost report filed with DMA applying the new DMA statistic.
Subtract the recalculated settlement amount from the originally filed settlement. The difference represents the potential financial loss or gain of using the new DMA statistic.

A chart that is attached to this document provides you with the amounts for each LHD.

Finally, you will note that nine LHDs will not be receiving any funds. This is because, unlike most everyone else, the use of the new methodology increased the cost settlement amount for them over the original amount filed. As a consequence, there appears to be no potential loss of funding because of the new DMA method.

On balance, this is great news considering all of the competing requirements for scarce health care dollars.

 Nothing ComparesSM

**Local Health Department
Cost Settlement Replacement
\$14.8M Allocation Based on Population Statistic**

LHD Name	\$14.8M Allocation
Albemarle	\$253,163.54
Alexander	\$37,091.08
Alleghany Ashe Watauga	\$162,715.04
Anson	\$58,669.08
Beaufort	\$85,429.28
Brunswick	\$212,569.33
Buncombe	\$116,211.83
Burke	\$87,545.88
Cabarrus	\$327,040.59
Caldwell	\$111,042.66
Carteret	\$33,373.89
Caswell	\$71,638.51
Catawba	\$5,959.77
Chatham	\$51,616.04
Cherokee	\$73,567.49
Clay	\$3,359.64
Columbus	\$74,182.22
Craven	\$413,088.07
Cumberland	\$193,806.77
Dare	\$48,893.93
Davidson	\$86,129.08
Duplin	\$258,525.40
Durham	\$473,000.04
Edgecombe	\$77,395.83
Forsyth	\$202,576.17
Franklin	\$85,891.44
Gaston	\$1,347,448.35
Granville Vance	\$58,811.28
Greene	\$67,210.77
Guilford	\$903,687.17
Halifax	\$72,198.06
Harnett	\$73,213.62
Haywood	\$121,223.31
Henderson	\$111,482.79
Hertford	\$46,454.55
Hoke	\$96,099.39
Hyde	\$20,962.97
Iredell	\$49,264.04
Jackson	\$45,304.96
Johnston	\$278,917.75

Jones	\$31,763.48
Lee	\$27,625.88
Lenoir	\$73,346.51
Lincoln	\$72,657.62
Macon	\$40,771.01
Madison	\$55,241.91
Martin Tyrell Washington	\$189,805.64
Mecklenburg	\$1,905,519.07
Montgomery	\$10,179.53
Moore	\$35,136.31
Nash	\$367,021.88
New Hanover	\$395,130.99
Northampton	\$140,768.99
Onslow	\$94,823.87
Orange	\$219,043.90
Pamlico	\$24,343.81
Person	\$7,133.75
Pitt	\$345,347.20
Randolph	\$24,456.90
Robeson	\$253,054.38
Rockingham	\$30,516.59
Rowan	\$2,459.27
Rutherford Polk McDowell	\$334,829.48
Sampson	\$98,677.94
Scotland	\$27,457.39
Stanly	\$26,161.15
Swain	\$5,592.52
Toe River	\$84,627.37
Transylvania	\$37,569.91
Union	\$349,782.34
Wake	\$1,603,814.00
Warren	\$71,529.69
Wayne	\$230,688.64
Wilkes	\$24,387.27
Wilson	\$544,214.23
Yadkin	\$117,757.98
Alamance	\$0.00
Bladen	\$0.00
Cleveland	\$0.00
Davie	\$0.00
Graham	\$0.00
Pender	\$0.00
Richmond	\$0.00
Stokes	\$0.00
Surry	\$0.00

\$14,800,000.00