



Southern Health Partners

April 3, 2025

Sheriff Michael Roberson
Chatham County Sheriff's Office
P.O. Box 429
Pittsboro, NC 27312

Re: Health Services Agreement

Dear Sheriff Roberson:

Southern Health Partners (SHP) values its partnership with Chatham County and looks forward to continuing to work with you and the Jail staff in the coming year.

As noted in my email from January 16, 2025, after SHP's review of Chatham County, NC's contract, it has been determined that there would be a need for a 4% annual increase for the July 2025-2026 contract period. We want to ensure we're continuing to provide the very best care and services for inmates at the Jail, by attracting and keeping quality staff members, as they are an investment in building a team that will have a favorable impact on the culture of the program. Staffing, of course, represents a considerable portion of our operating budget but is only a single component. Other costs of operating unfortunately are trending upward each year and the professional liability insurance is another single example of an expenditure we have truly little control over our cost increases, which continue to soar.

Also, with many of our contracts, there is a need for restructuring along the same lines as how our newer contracts are priced considering the now-current industry standard, with certain service items covered by SHP for inclusion in the cost pool, rather than under the base fees. For Chatham County, NC's contract, we will need to shift the costs of labs, medical supplies, medically generated hazardous waste and over the counter medications to the cost pool. Going forward under the new arrangement, the costs for these items will still be paid for by SHP (with the County continuing to receive the benefit of SHP's bulk pricing discounts from our various vendors), but the amounts will be applied toward the cost pool accounting totals to accrue against the annual pool limitation. Only if the County annual cost pool limit is used up fully for any given contract period, then SHP would at that point, begin to seek reimbursement from the County for any costs in excess of the cost pool limit, as is done under our current normal practice. Costs for labs, medical supplies, medically generated hazardous waste and over the counter medications have run approximately a total of \$1,500.00 over the last eleven months.

A summary of the renewal pricing and amended terms is listed below:

Contract Period: July 1, 2025 through June 30, 2026	
New base annualized fee for 2025-2026 period with 4% increase and with change to move costs of labs, medical supplies, medically generated hazardous waste and over-the-counter medications to the cost pool:	\$266,008.68 (\$22,167.39 per month)
Per diem rate greater than 90 inmates:	\$1.92
Annual outside cost pool limit:	\$30,000.00



Southern Health Partners

Sheriff Michael Roberson
Chatham County Sheriff's Office
Page 2
April 3, 2025

This was a tough decision to make, and we understand how it affects our customers. Therefore, we thank you in advance for your ongoing support and trust that these changes will help us to continue providing the exceptional value of service you expect from us.

For the historical contract record and to confirm the renewal of our Health Services Agreement with Chatham County, I will ask you to keep this letter and return a signed copy to me at your earliest convenience or before May 23, 2025 by email at jeanette.rodriquez@southernhealthpartners.com or by fax at 423-305-6964. If this letter is not signed in a timely manner, then billing will be prorated back to the contract inception date. Except as modified above, or as may be further amended or modified by mutual agreement between the parties, all provisions of the contract will remain in full force and effect during the renewal period.

As always we welcome you to share any questions or concerns you may have with us. Please don't hesitate to contact me at 423-553-5635, ext. 922.

Sincerely,

SOUTHERN HEALTH PARTNERS, INC.

CHATHAM COUNTY, NC
BY:

Jeanette Rodriguez
Contracts Administrator

cc: Captain Jessica Norton