



North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Adam Sholar  
Legislative Counsel  
Director of Government Affairs

July 1, 2014

**SENT VIA ELECTRONIC MAIL**

Mr. Mark Trogdon, Director  
Fiscal Research Division  
North Carolina General Assembly  
Room 619, Legislative Office Building  
Raleigh, NC 27603-5925


Dear Director Trogdon:

Section 7.18 (b) of Session Law 2013-360 entitled "Use of Mobile Electronic Communications Devices" requires the Department of Health and Human Services to report quarterly to the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of the State Chief Information Officer on the use of mobile electronic devices within the agency.

This report for the fourth quarter of SFY 13-14 includes: the total number of devices issued by the agency; the total cost of mobile devices issued by the agency; the number and cost of new devices issued since the last report; and the contracts used to obtain the devices.

Please direct all questions concerning this report to Jennifer Street at 919-855-3009.

Sincerely,

  
Adam Sholar

- |     |                |  |
|-----|----------------|--|
| Cc: | Sarah Riser    | Karlynn O'Shaughnessy                                    |
|     | Pat Porter     | Larry Yates  |
|     | Kristi Huff    | Sara Porper  |
|     | Brandon Greife | Senator Ralph Hise                                       |
|     | Susan Jacobs   | Representative Justin Burr                               |
|     | Theresa Matula | Representative Mark Hollo                                |
|     | Joyce Jones    | Grant Brooks   |
|     | Pam Kilpatrick | Kasey Ginsberg   |
|     | Rod Davis      | <a href="mailto:reports@ncleg.net">reports@ncleg.net</a> |
|     | Karen Tomczak  |  |

www.ncdhhs.gov

Tel 919-855-4800 • Fax 919-715-4645

Location: Adams Building/Dix Campus • 101 Blair Drive • Raleigh, NC 27603

Mailing Address: 2001 Mail Service Center • Raleigh, NC 27699-2001

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**SENT VIA ELECTRONIC MAIL**

Chris Estes  
State Chief Information Officer  
Office of Information Technology Services  
PO Box 17209  
Raleigh, NC 27619-7209

Dear Mr. Estes:

Section 7.18 (b) of Session Law 2013-360 entitled "Use of Mobile Electronic Communications Devices" requires the Department of Health and Human Services to report quarterly to the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of the State Chief Information Officer on the use of mobile electronic devices within the agency.

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SENT VIA ELECTRONIC MAIL

The Honorable Jason Saine, Co-Chairman  
Joint Legislative Oversight  
Committee on Information Technology  
North Carolina General Assembly  
300 N. Salisbury Street  
Room 402, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Andrew C. Brock, Co-Chairman  
Joint Legislative Oversight  
Committee on Information Technology  
North Carolina General Assembly  
300 N. Salisbury Street  
Room 521, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Senator Brock and Representative Saine:

Section 7.18 (b) of Session Law 2013-360 entitled "Use of Mobile Electronic Communications Devices" requires the Department of Health and Human Services to report quarterly to the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of the State Chief Information Officer on the use of mobile electronic devices within the agency.

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Rod Davis  
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**NC Department of Health and Human Services Report on Mobile Electronic Communications Devices**  
7/1/2014

(1) The total number of mobile devices issued by agency: DHHS has issued 4,577 mobile electronic communications devices.

(2) The total cost of mobile devices issued by the agency: Based on April 2014 data for cellular phones and air cards obtained via ITS contract and billed by ITS and other devices' cost reported by DHHS' divisions, offices, and facilities, DHHS' total annual cost for mobile electronic communications devices is approximately \$1,782,532.

(3) The number and types of new devices issued since the last report: DHHS has added 123 Smart Phones, five Tablets with cellular network connectivity, two Telemetry devices since the last report. DHHS has reduced the number of issued Air Cards by 18, the number of Cellular Phones by 18 and the number of Pagers by 21. This represents an increased cost of approximately \$314,124\* per year.

(4) The contracts used to obtain the mobile electronic communications devices: All electronic communications devices were procured via State Term Contracts 915A (cellular service and equipment) and 915B (pagers), with the exception of 82 pagers and tablets without cellular network connectivity. Due to coverage issues and service limitations offered by the vendor selected for the pager contract (915B), DHHS has had to procure pagers from an alternate source for critical medical staff use. Tablets without connectivity were acquired via the open market or through 204N (Apple Computer Equipment).

(5) The table below summarizes the number and cost of each mobile device type issued by DHHS.

Type of Mobile Electronic Communications Device	Number of Mobile Electronic Communications Devices	Total Monthly Fixed Costs for Mobile Electronic Communications Devices	Total Monthly Variable Costs for Usage and Fees for Devices (See Note 2)	Total Monthly Fixed and Variable Costs	Total Annual Fixed Cost for Mobile Electronic Communications Devices (See Note 3)	Total Annual Variable Costs for Usage and Fees for Devices	Total Annual Fixed and Variable Costs
Air Card (see Note 1)	1,251	\$ 47,390.81	\$ 1,372.55	\$ 48,763.36	\$ 568,689.72	\$ 16,470.60	\$ 585,160.32
Pager	1,135	\$ 8,603.03	\$ -	\$ 8,603.03	\$ 103,236.36	\$ -	\$ 103,236.36
Cellular Phone	1,379	\$ 37,732.52	\$ 14,375.40	\$ 52,107.92	\$ 452,790.24	\$ 172,504.80	\$ 625,295.04
Smart Phone	644	\$ 22,582.42	\$ 13,203.77	\$ 35,786.19	\$ 270,989.04	\$ 158,445.24	\$ 429,434.28
Tablet with cellular connection	47	\$ 2,856.33	\$ -	\$ 2,856.33	\$ 34,275.96	\$ -	\$ 34,275.96
Tablet without cellular connection	114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (see Note 4)	7	\$ 347.24	\$ 80.32	\$ 427.56	\$ 4,166.88	\$ 963.84	\$ 5,130.72
<b>Total</b>	<b>4,577</b>	<b>\$ 119,512.35</b>	<b>\$ 29,032.04</b>	<b>\$ 148,544.39</b>	<b>\$ 1,434,148.20</b>	<b>\$ 348,384.48</b>	<b>\$ 1,782,532.68</b>

**Notes:**

- (1) Current data sources no longer distinguish between traditional Air Cards and Hot Spot devices.
- (2) Monthly Usage and Fees vary from month to month for each device. The monthly and annualized costs included in this report are based on April 2014 billing data and other devices' costs reported by DHHS' divisions, offices, and facilities. Identifiable one-time costs or credits have been removed.
- (3) Annual Totals are based on multiplying the pertinent Monthly Totals by twelve months.
- (4) DHHS identified a number of devices that are deployed for telemetry/monitoring purposes that do not fall into one of the established categories of devices.

\*This figure is probably lower than stated. This is because the initial (one-time) costs of the phones are displayed on the ITS billing statement as "other" (non-fixed payment) costs. Due to "other costs" also including per minute charges, it is very difficult to screen out what are one-time costs as opposed to costs that are likely to continue. That means the initial costs get annualized and inflate the annual estimate. The one-time costs could not be effectively identified and remain in this total.