



PRESS RELEASE
NORTH CAROLINA GENERAL ASSEMBLY

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**N.C. House and Senate Leaders Announce
WakeMed and UNC Health Care System Agreement**

Raleigh, N.C. – With the support of Speaker Thom Tillis and Senate President Pro Tempore Phil Berger, Representative Harold Brubaker and Senator Tom Apodaca worked with WakeMed Health & Hospitals and UNC Health Care to develop partnerships in important areas of medical education and health care delivery. The parties have also agreed to collaboration and transparency in other areas and have agreed to resolve current disputes amicably in support of an ongoing relationship.

“This agreement is good for North Carolina and good for both of these outstanding health care systems,” said Speaker Tillis. “We all know that our state has many pressing health care needs. In a time of limited resources, it is vital that we forge partnerships to get the maximum return on our resources. This agreement builds a strong framework through which WakeMed and UNC Health Care can do that.”

Speaker Tillis continued, “I especially congratulate Representative Brubaker and Senator Apodaca for their leadership and their committee members for their hard work addressing these issues. I thank President Ross, Board of Governors member Peter Hans, Dr. Atkinson, Dr. Roper and their respective staffs for their support and their constructive attitudes throughout the negotiations. And I thank Sen. Berger and his colleagues for their hard work.”

“Working out an agreement involving the House, the Senate, WakeMed and UNC Health Care is, as you can imagine, no small achievement. I commend all those who were involved for working together in good faith to forge a true partnership between two great health care systems,” said Senator Apodaca. “Today we celebrate a collaboration that will mean better health care for our citizens and a better return on taxpayer dollars.”

Following are some details of the agreement. The complete agreements can be viewed at: www.wakemed.org and news.unchealthcare.org.

Education

WakeMed and UNC School of Medicine have a 40-year history of working together to educate the next generation of physicians. WakeMed, UNC Health Care and UNC School of Medicine have entered into a new five-year contract (automatically renewed for a second five years unless terminated) to provide education and training, as well as much needed care to the underserved. UNC residents and medical students will continue their rotations at WakeMed. UNC will support WakeMed’s application for the Council of Teaching Hospitals.

Transparency of Operations

As part of its mission to operate in an open and transparent manner, UNC Health Care will voluntarily file IRS Form 990s for each of its private, nonprofit health care entities. These entities currently include Rex Healthcare, Rex Hospital and Chatham Hospital. It also will include Triangle Physicians Network (when 501(c)(3) status is granted) and any future 501(c)(3) health care entities owned or controlled by UNC Health Care.

To assure appropriate levels of accountability and to improve its relationship with the North Carolina General Assembly, UNC Health Care has agreed to certain changes in its governance structure.

Constructive Collaboration

Following more than 18 months of debate, WakeMed and UNC Health Care officials have agreed to end the public disagreements as described in the Agreement. While the two institutions will continue to compete fairly, and collaborate in other instances, they will maintain a respectful relationship in all matters. Together they will push each other to become even better healthcare providers, researchers and teachers.

Behavioral Health

In order to meet the outstanding need for inpatient behavioral health services, especially following the closing of Dorothea Dix hospital, WakeMed and UNC Health Care will work collaboratively to plan for the development of future services in care of these patients Wake County. WakeMed is currently the predominant provider of Medicaid and uncompensated care in Wake County, which includes monitoring, supervision, and protection of patients in need of psychiatric treatment and services in its emergency department, and will continue to support the care of these patients.

UNC Health Care will initiate new projects to reduce the burden on emergency departments in Wake County. A major part of that effort will include an investment by UNC Health Care of \$30 million to develop and operate a 28-bed, inpatient psychiatric facility in Wake County to help address crisis and emergency demand. UNC Health Care also will commit a total of \$10 million over five years to support additional mental health services. By enhancing inpatient hospital and other services, UNC Health Care will offer more comprehensive care to patients suffering from mental illness than is currently available and help relieve overcrowding in Wake County emergency departments.

Rex Healthcare

Rex will remain a private, nonprofit subsidiary of UNC Health Care. WakeMed has withdrawn its offer to purchase Rex. UNC has agreed not to solicit WakeMed for purchase. And, both organizations have dropped all outstanding public records requests.

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