

# UNC Health expands again – this time to Boone



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UNC Medical Center in Chapel Hill.

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<https://www.bizjournals.com/triangle/news/2022/05/05/unc-health-expands-to-boone-health-system.html>

UNC Health's [expansion across North Carolina continues](#) with a new agreement with a health system based in Boone.

The Chapel Hill-based health care system has finalized a management services agreement with the Appalachian Regional Healthcare System, which includes three hospitals and 13 medical offices in the western part of the state. As part of the agreement, announced Tuesday, Appalachian Regional will be added to the growing list of UNC Health affiliates throughout the state.

The agreement follows Appalachian Regional announcing in February its intentions to explore a relationship with a potential partner "that would accelerate access to new technology and expand local health care services." At the time, the system said it was not considering a merger with another system.

Appalachian Regional underwent a request for proposals process to identify this potential partner, which led to UNC Health.

"Through our (management services agreement), we will be able to deepen our primary care base, improve accessibility and enhance the level of services we provide today," said Thomas Dale, chair of the Appalachian Regional Board of Trustees.

Health care systems in general, and particularly those in rural areas, are dealing with a number of headwinds, which were exacerbated by financial strains related to the Covid-19 pandemic. Since 2010, 138 rural hospitals have closed throughout the U.S., including seven in North Carolina, according to data from the Cecil G. Sheps Center for Health Services Research at UNC-Chapel Hill.

Steve Burriss, UNC Health chief operating officer, said the system plans to help Appalachian Regional with technology improvements related to both cybersecurity and its electronic health records. UNC Health also plans to expand the speciality and subspecialty care available for patients, among other benefits.

For UNC Health, the agreement represents an opportunity to continue its mission of improving the health and wellbeing of all North Carolinians, Burriss said. Additionally, it brings more health care professionals together to discuss and tackle issues facing the industry, such as drug shortages or supply chain issues.

"If the pandemic did anything, it really pointed out the value of being part of a health care system," Burriss said.

The agreement with Appalachian Regional follows others that UNC Health has signed with smaller health care systems around the state over the last few years.

Last year, UNC Health signed a management services agreement with Morganton-based Blue Ridge HealthCare and an affiliate agreement with the New Bern-based CarolinaEast Health System. These agreements followed UNC signing a management services agreement with Southeastern Health and UNC Rex entering a joint operations agreement with Johnston Health in 2020.

The Chapel Hill-based system isn't actively seeking out these types of partnerships, Burriss said, but it's answering the phone when it rings.

"We don't go where we're not invited," Burriss said. "But if they call us with a need and desire, we certainly engage in that conversation."

In total, UNC Health has grown to include 14 hospitals, 18 hospital campuses and more than 500 clinics throughout the state. The system includes more than 40,000 employees and a medical staff of 3,454, according to UNC Health's 2021 annual report.

UNC Health's total operating revenue for the fiscal year that ended June 30 was about \$5.05 billion, compared to \$4.38 billion the previous year. Total operating expenses for the system was \$4.87 billion, up from \$4.35 billion in fiscal year 2020.

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