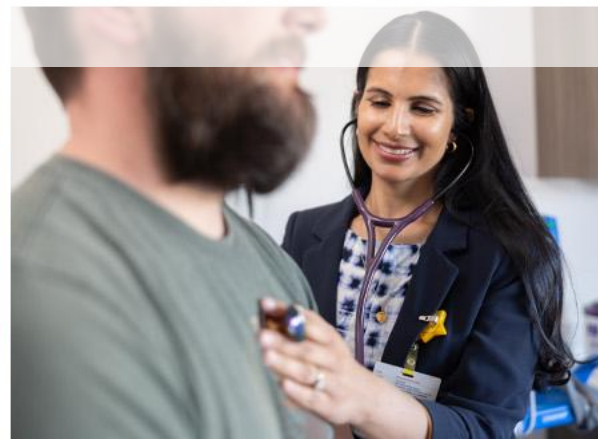




WakeMed's Strategic Combination with Atrium Health Wake County Commissioners Work Session June 8, 2026





WW2E Tenets
+
WW2E Behaviors

WakeWay² Excellence



WakeMed 
WakeMed Health & Hospitals

Community Outreach & Engagement

We heard you and thank you for asking us to engage directly with the people of this community about our plans - to explain what we are doing and why - and to hear and address their questions and concerns.

We are also delivering on our communications plan to help inform and engage the community.

Listening Sessions – Community Forums

- Five in-person evening sessions held across Wake County; One daytime virtual session
- Over 235 attendees at in-person sessions; 70 for virtual session. Attendees included residents from across Wake County, media, and elected officials

Faith-Based Community Sundays

- A series of faith-based community dialogue sessions at churches across Wake County, begins June 14

Meetings with Community Leadership

- On-going



Community Resources & Information

Microsite: Resource for more information, media coverage and frequently asked questions

- 4,286 page views; 36 submissions via the online form; 19 direct emails to dedicated inbox (as of June 1)
- WakeMed Perspectives: A limited series podcast featuring doctors, nurses, leaders and Board members

Media & Advertising

- Op Ed from Donald Gintzig – N&O and Charlotte Observer 5/17
- Full page ad from Board – N&O 5/31; Triangle Business Journal 6/4; Carolinian 6/8
- Radio Advertising – multiple stations 5/18 – 6/19
- Social Media posts – multiple beginning 5/11 various content
- Information in our community eNewsletters – Health Lives Here (June)

Employee, Physician/APP Outreach

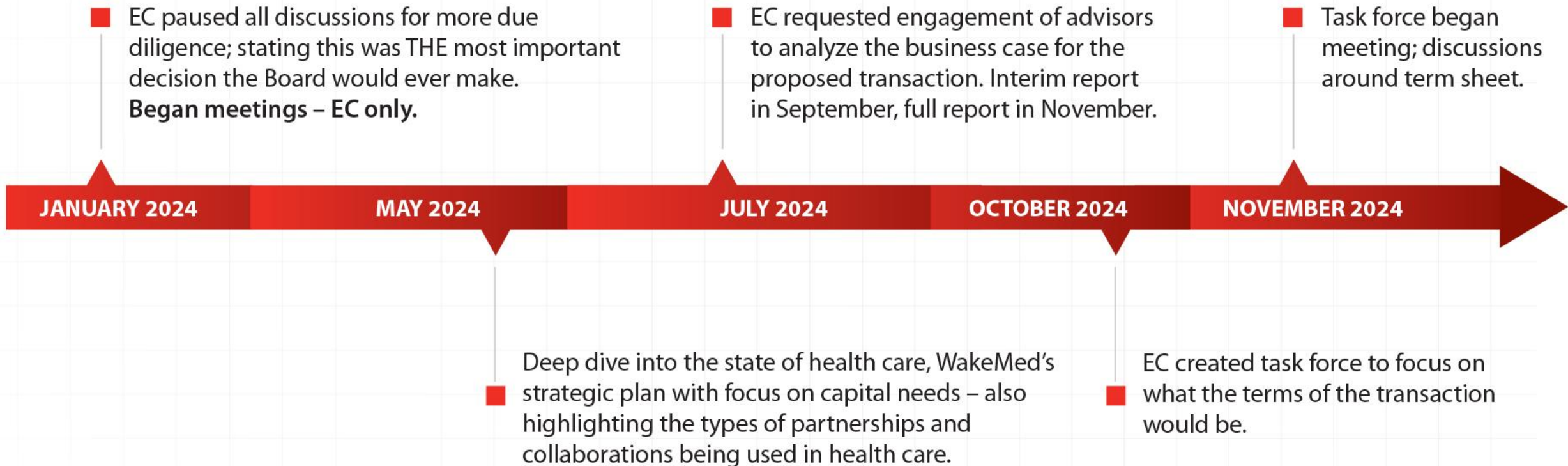
- 10 forums conducted (combination of in-person and virtual)
- More than 3,000 participants total – with many more watching the recordings which are posted internally
- Intranet section dedicated to the combination, including FAQs, opportunity to submit questions and concerns; videos of Donald Gintzig



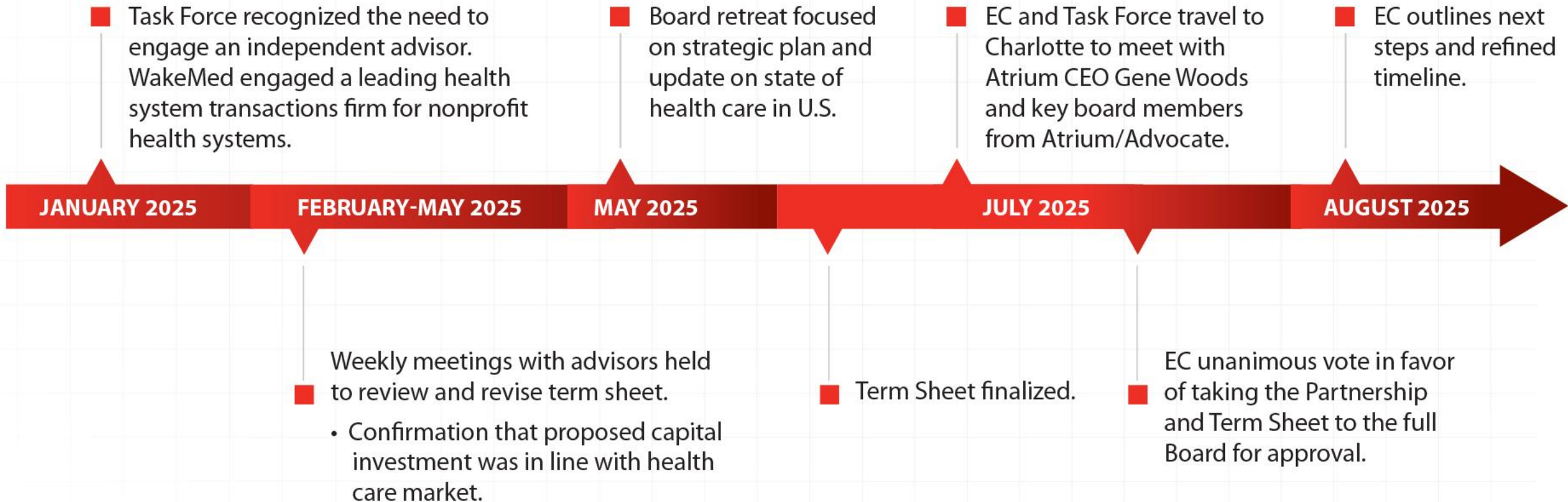
Chronology of Partnership Evaluation



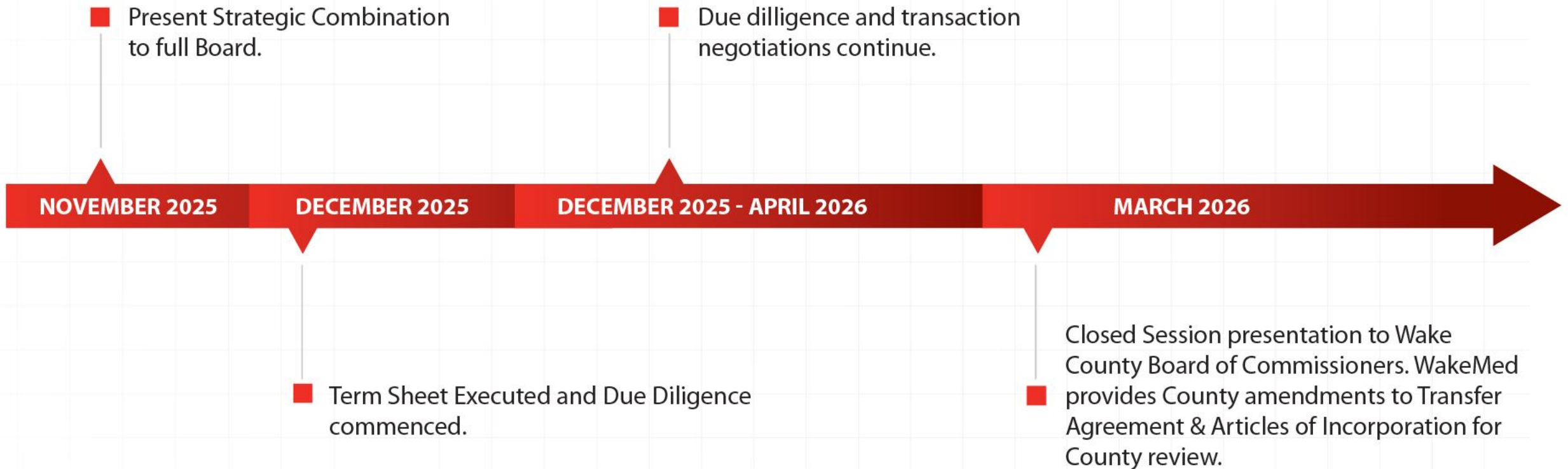
Chronology of Partnership Evaluation



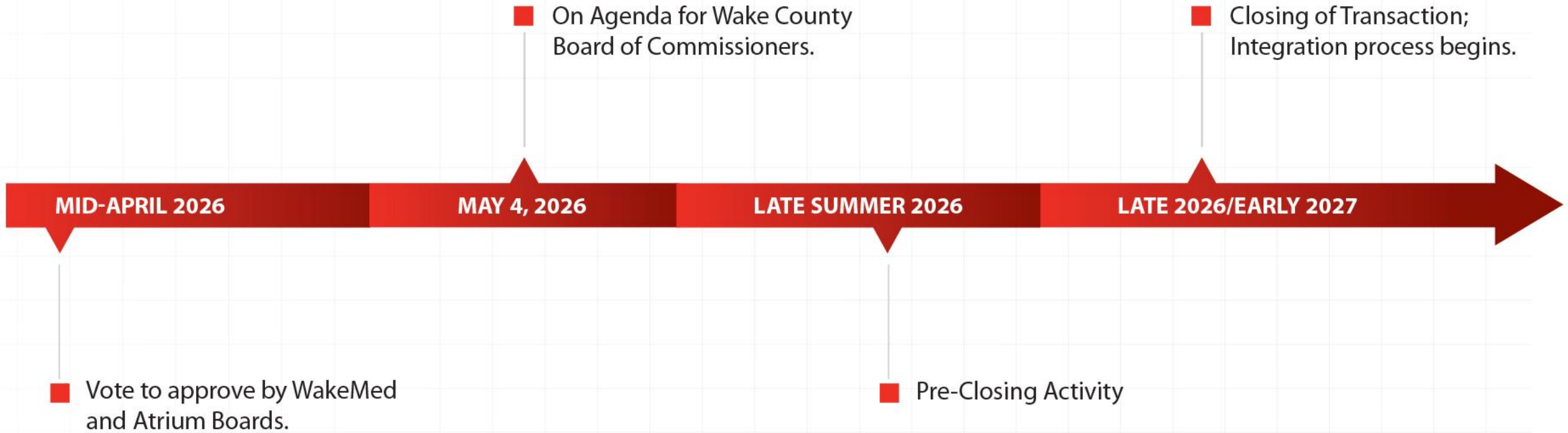
Chronology of Partnership Evaluation



Chronology of Partnership Evaluation



Chronology of Partnership Evaluation



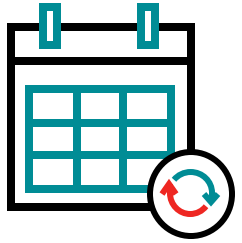
WakeMed 

 Atrium Health

Building A Better Future Together For Care and Access in Wake County



ADVOCATEHEALTH



Who We Are



Advocate Health

Redefining Care, from Discovery to Everyday Moments... FOR ALL

1st in Community Benefit (\$6.2B)

2nd Largest with an Integrated Medical School

3rd Largest Not-For-Profit



\$39B

Revenue
(Fiscal Year 2025)



AA

Bond
Rating



6M

Unique
Patients



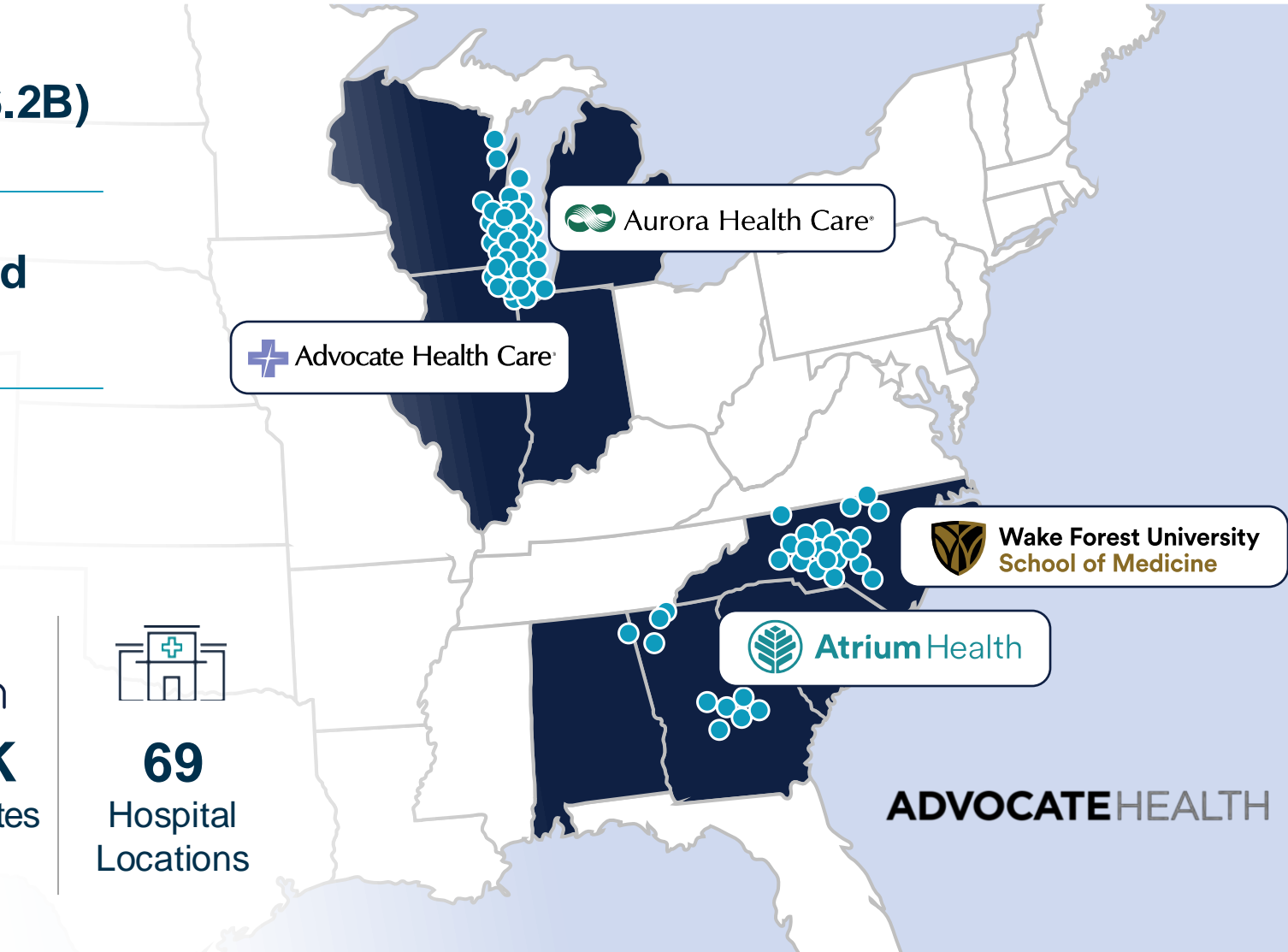
172K

Teammates



69

Hospital
Locations



ADVOCATEHEALTH

Our Goal: Bringing the Best of Who We Are Wherever You Are. Not One of 1,000. One **Powered** by 1,000.

Locally Focused

We engage deeply in each community we serve to truly understand local needs. Our goal is to make a large system feel personal—like a small community.

Regionally Connected

A connected network of healthcare services in each region, designed to meet patients' needs at every stage of life from prevention to treatment to recovery – and beyond our walls.

Nationally Impactful

The national model redefining health care in this country—one community at a time—by expanding access, advancing discovery, accelerating innovation, and strengthening education and clinical excellence.



Serving **2.4 Million** Patients Across North Carolina



76K

NC Teammates
Largest Non-governmental Employer



4K

Employed
NC Physicians



27K

NC
Nurses



3.4K

NC Advanced
Practice Professionals



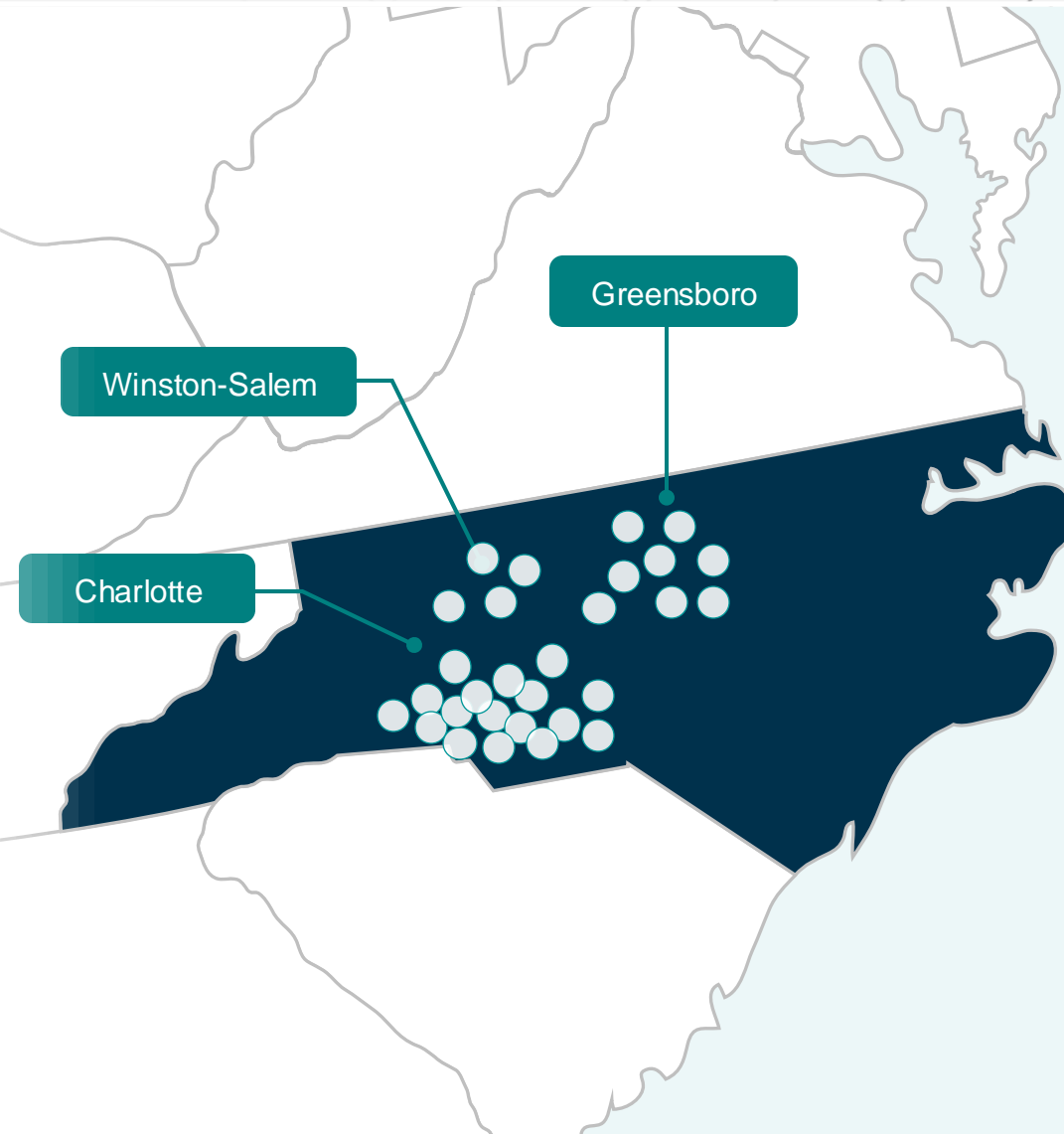
386

Sites of Care
in NC



30

NC Hospital
Locations





Advancing Better Health, Lower Costs, and Stronger Communities Across North Carolina

\$5B+

Invested to expand & modernize care over last 5 years

\$53B

Projected annual economic impact by 2029

\$1.5B

Of synergy saving reinvested to mitigate inflation of supplies, drugs, and technology

375,000

Medicaid patients served in North Carolina; most in the state

~100,000

North Carolinians received free care under our charity policy last year

\$2.5B

The highest Community Benefit in NC including free and reduced-cost care, behavioral health, and support for housing and food.

Atrium Health Behavioral Health

We strive to be a **nationally recognized**, comprehensive system of high quality, innovative clinical care, incorporating education, research, and advocacy **to meet the needs of our patients, families, and communities.**



3 Psych Hospitals
1 Psych ED



330 Beds
10 Hospitals



25+
Telepsychiatry EDs



100+ Psychiatrists
50+ APPs



300+ Nurses
250+ Psych Techs



50+ Psychologists
350+ Therapists



20+ Ambulatory Locations
151+ Schools



250K+
Outpatient Visits

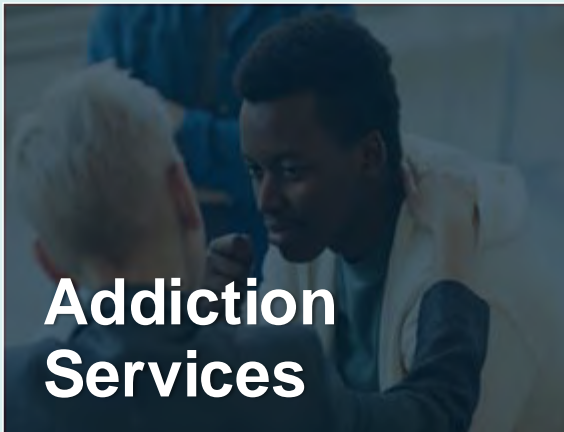


70+
Integrated Primary
Care Practices

Atrium Health's Behavioral Health Programs Are Essential

For nearly **four decades**, Atrium Health stands as Mecklenburg County's mental health safety net, providing essential care to the county's most vulnerable patients.

In 2025, we treated nearly 180,000 patients for behavioral health.



School-Based Virtual Care in North Carolina

Diagnosing and treating – all while at school



240 schools using virtual health care



Treated 8,200+ kids this school year



Over 60% of visits resulted in kids staying at school

We strategically partner with municipalities, leading academic institutions and community organizations to improve social drivers of health



\$1.4M Allocated to Reduce Violence Driven Injuries

- **400 patient encounters**
- **Only nationally recognized Hospital-Based Violence Intervention Program (HVIP) in North Carolina.**



\$20M Invested in Affordable Housing Via the Housing Impact Fund

- Partner with Charlotte Housing Authority and public/private partners
- **Added 2,000+ housing units to market to date.**



\$2.6M Invested in Food Security

- **\$1.1M** invested during SNAP Gap crises in 2025
- **11,000+** Atrium patients received a week's worth of groceries in 2025
- **Nearly 40,000 food referrals** to community partners



Care Everywhere Street Medicine

- First street medicine program in Charlotte
- Teams sent directly to encampments to provide compassionate field-based medical care for people experiencing homelessness

Redefining Access to Care FOR ALL

From the urban core to the most rural communities



June 3, 2026

First hospital to be built on Chicago's South East Side in over a century



New hospital is being built at 8000 S DuSable Lake Shore Dr.

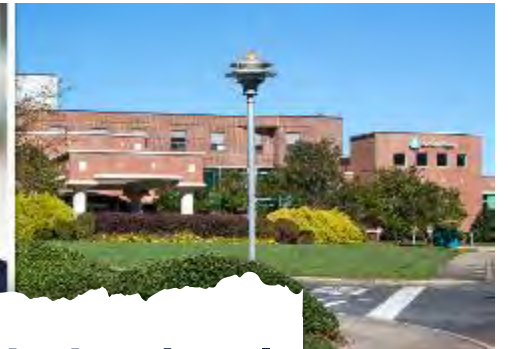
Eighteen months from its announcement, hospital and elected officials gathered on June 2 to break ground on the 23-acre property.



Modern Healthcare

Rural healthcare is on life support. Here's how it could thrive.

September 18, 2025



"We will have integrated behavioral health services into every rural primary care clinic we operate."

is more predictor of



Architecting an Innovation Ecosystem



Home to global leaders:

stryker®

Medtronic

Boston
Scientific

Johnson & Johnson

SIEMENS
Healthineers

Creating 12,000 Jobs

40% of which don't require college degree



“

Innovation that doesn't
serve the underserved
is, at best, incomplete.”



**The CEO of Advocate Health on Fostering
Innovation Through Partnerships**

by Eugene A. Woods



We are bringing breakthroughs to people where they live – and to the most vulnerable communities.

TODAY:

It takes

17 years

to get from evidence to practice change.

Only

5%

of eligible patients enroll



Advocate Health National Center for Clinical Trials

Launched in 2025

Hard diagnosis

Patient diagnosed with complex condition in Vulnerable Community.

Local eligibility

Trial activated at patient's clinic or nearby hospital.

Reduced burden

No travel.
No disruption.
No lost wages.

Automatic alert

Clinician receives real-time trial match notification.

Care close to home

Treatment delivered locally within our footprint.

Expanded access

**More patients enroll.
Breakthrough medicine reaches more people.**

Keeping the Main Thing the Main Thing: Quality and Safety

14%

Mortality Reduction
Across the System

230,000

Care gaps closed for patients from disparity-identified populations resulting in better outcomes for hypertension & diabetes, & reductions in primary C-sections

5 → 26

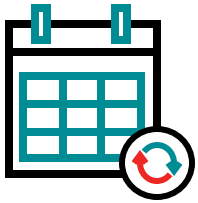
Hospitals earning Leapfrog
“A” ratings. **10 "A"s in NC,**
most in the state.

National Service Lines

Among the largest provider in the country in heart, cancer, and neuroscience services integrated across 69 hospitals and 1000 care sites with national rankings for excellence

WakeMed 

 Atrium Health



Preparing for the Future: Stronger Together

The Sobering Reality Health Care Systems All Face In This Decade



- ❗ **Intensifying financial strain** with Medicaid reductions and inflation on supplies, pharmaceuticals, technology
- ❗ **Behavioral health demand surging past capacity**, leaving critical needs unmet
- ❗ **Workforce shortages reaching a breaking point**, just as an aging population drives unprecedented demand
- ❗ **Persistent access gaps and widening inequities**, leaving communities behind
- ❗ **Cybersecurity threats accelerating**, putting patient data and operations at constant risk
- ❗ **AI reshaping every aspect of healthcare**, from diagnosis to delivery to cost and access

Why We Both Said **Yes**

WakeMed approached us after going through a deliberate and thoughtful process to determine who would be the best long-term partner for its future.

Stronger Together:



Caring for All



Leading-Edge Clinical Excellence



Building a Future-Ready Workforce



Long-term Sustainability

At our core:

✓ Our missions
are aligned

✓ Our values and
cultures fit

✓ We share a commitment to patients,
communities, and teammates



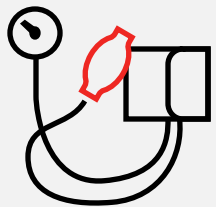
What Success Looks Like



\$2B Health Investment Delivers 3,300 Jobs, Supercharges One of Wake County's Largest Economic Engines

MAR 2031

- System-wide campus expansions – Raleigh, Cary, North Hospital, Garner
- Two new Healthplex locations
- 3,300 new jobs across clinical, research, and support roles



Solidifying Wake County's position as a destination for quality **healthcare, jobs and growth**

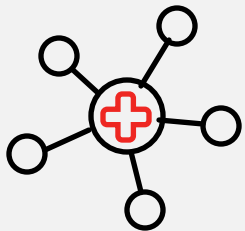
- North Carolina's largest virtual care network

- Broader charity care reach for working families

- Advanced specialty care closer to home – *cancer, neurosciences, pediatrics and beyond*

One Million More North Carolinians Now Have Access to Care—Many Without Leaving Home

MAR 2031



Expanding access where it matters – in homes, neighborhoods, and communities across North Carolina

North Carolina's Largest Nonprofit Mental Health Network Opens, Redefining Care for Thousands

MAR 2031

- First of its kind integrated, nonprofit mental health network
- 360+ coordinated inpatient behavioral health beds
- Expanded outpatient mental health access statewide



**Redefining Whole-Person Care –
with behavioral and mental health at the forefront**

- Address social drivers of health (food, transportation, housing) across all care sites

- Deepen community partnerships

- Close care gaps across urban and rural communities

Closing the Gap:

Community Partnerships Deliver Measurable Health Gains for North Carolina's Most Vulnerable

MAR 2031



Healthier communities don't happen by accident.
They're built through partnerships

- Expanded innovation corridor

- North Carolina's largest health care workforce training program

- New medical education opportunities in Wake County

- Leverage the Advocate Health National Center for Clinical Trials to treat patients in Wake County

From Training to Breakthroughs:

Innovation Corridor Powers the Next Generation of Health Care in North Carolina

MAR 2031



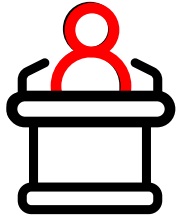
Innovation and Education. The groundwork to achieve
More. Better. Faster.

“

The best time to plant
a tree was 20 years ago.

The next best time is now.





The Proof Points

5+ Years After Wake
Forest Baptist Joined
Atrium Health

Past is Prologue:



What made this combination work has been a shared commitment not just to preserve what made Wake Forest Baptist distinctive, but to elevate it.

Our strengths were amplified and, in many cases, became defining strengths of Atrium Health itself...

We are confident the same thing will occur as a result of WakeMed and Atrium Health coming together.”

OP-ED ON MAY 27, 2026 BY:

Matt King, chair of Atrium Health Wake Forest Baptist

Don Flow, CEO of Winston-Salem-based Flow Automotive Companies

Bill Warden, Advocate Health Board Member

Atrium Health Wake Forest Baptist results since 2020 combination



Six credit-rating upgrades from Moody's, restoring its AA status



Raised minimum starting wage to \$18.85



Created 8,200 new jobs



Expanded access to care and services

Atrium Health Wake Forest Baptist since 2020

Core Initial Winston-Salem Area Investments

- **New Care Tower on Winston Campus |** Emergency Department, ICU, ORs – July 2025
- **Cloverdale Outpatient Surgery Center |** Opened ahead of schedule – May 2025
- **Eye Institute | IQ** Winston-Salem, 'wall breaking' June 2025
- **Clinical Delivery Expansion |** PC, IM, OB-GYN, Peds, MSK, Infusion
- **Metropolitan Village |** Affordable Housing Initiative in Winston

Greater Winston-Salem Area Investments

- **Greensboro MOB and Ambulatory Surgery Center –** 2026
- **Enhanced Clinical Services |** Cancer, Musculoskeletal, Heart and Vascular, Neurosciences
- **Greensboro Expansion |** Medical Center – Opening 2029
- **Guilford Counties** Expanded Specialty Services, Primary Care and Imaging | 2024 – 2029
- **Partnership and Growth |** Hugh Chatham Health and Alleghany Health

Addressing Your Questions & Concerns

WakeMed 



Atrium Health

Key Deal Terms



- Governance
 - Board Composition (8 Community Directors, 6 Atrium Directors)
 - Leadership will be responsible for day-to-day operations best managed at a local level
 - Workforce matters – closing of transaction will not result in any layoffs and includes benefit harmonization
- Mission and cultural alignment
- \$2,000,000,000 Capital Commitment
- Continued operation of a 501(c)3 non-profit hospital
- Continued operation of a community hospital providing care to all
- Preserves and grows relationships with the community
- Allows for continuity—WakeMed remains in its current corporate form as a provider entity

Second Amendment to Wake County Transfer Agreement



- Agreement between WakeMed and Wake County to amend the Transfer Agreement
- Includes the County's agreement to the new Articles
- Affirms WakeMed's continued commitment to operate as a community hospital
- Confirms Charity Care Commitment
 - Identical to the current amounts/levels (4.8% Wake County residents)
- Contains reversion provision to Wake County if WakeMed ceases to operate as a community general hospital

Amended and Restated Articles of Incorporation

Current State

- No Member
- WakeMed operates as a **501(c)(3)** charitable organization
- Charity Care Commitment: at least **4.8%** of revenue from Wake County patients
- Board Structure & Terms:
 - **8 Directors** appointed by Wake County; must live in Wake County
 - 6 directors appointed by WakeMed
 - 5-year terms; two term limit



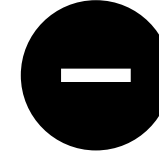
Proposed Future State

- Atrium as the sole Member of WakeMed
- WakeMed operates as a **501(c)(3)** charitable organization
- Charity Care Commitment: at least **4.8%** of revenue from Wake County patients
- Board Structure & Terms
 - **8 Directors** nominated by Wake County; must live in Wake County
 - 6 directors appointed by Atrium Health
 - Staggered terms to start, 3-year terms thereafter, no term limits

WakeMed: What We Gain. What We Lose.



- \$2B - Ability to invest in facilities, services and community sooner allowing us to stay competitive and fulfill our mission
- Integration with an organization who is aligned in commitment to mission and culture
- Scale allows for reduction in expenses
- Sharing of best practices; evidence-based medicine
- New and expanded specialty services
- Enhanced access to care throughout NC; largest virtual care network
- Expanded access to clinical trials for patients
- Training and education opportunities for staff, physicians and APPs
- Ability to build on the Epic EHR platform



- Full governance autonomy
- Status as a stand-alone independent health system
- The burden and responsibility of facing financial uncertainty and industry headwinds alone

Binding Commitments: Community Investment

\$2 Billion in WakeMed and Community investments over 10 years will be transformative – with more to come:



Expand Specialty Care Access for **Centers of Excellence**



Support efforts in Wake County and the Triangle to improve mental health care, transitional housing and other support services for the **medically underserved**



Fund **capital projects**, including:

- Annual capital expenditures
- Redevelop and expand aging **Raleigh Campus in southeast Raleigh** with additional inpatient beds and modern infrastructure to meet growing community needs
- Expand WakeMed's **Cary Hospital and North Hospital** by adding much needed inpatient beds and new clinical services
- Further development of inpatient and outpatient services at the **WakeMed Garner Whole Health Campus**
- Build **two new Healthplex locations** with stand-alone emergency departments and easily accessible outpatient services
- New and expanded services, more providers, enhanced access
- Wake III land swap and site improvement projects
- Invest in a statewide virtual care network to provide access to WakeMed patients

Community Involvement & Needs

Tri-annual Community Health Needs Assessment guides implementation plan to meet needs. Process and commitment will not change.



Affordable Housing &
Homelessness



Access to Healthcare



Mental Health



Other Needs

Ongoing support for efforts in Wake County and the Triangle to improve mental health care, transitional housing and other support services for the **medically underserved**.

Will expand community partnerships to strengthen health and safety net programs and address gaps in care

- Collaborate with public and private partners to **understand areas of greatest need** and **invest in key programs** that improve health outcomes, reduce disparities and close care gaps
- Expand efforts to address **social drivers of health** and connect to community resources
- Additional **providers and care locations** to improve access; virtual care network
- Leverage the **WakeMed Center for Community Health model** of trauma-informed care and community health management to improve access for the most vulnerable populations – including those experiencing homelessness – across North Carolina.
- Create **North Carolina's largest nonprofit mental health network**, addressing the shortage of mental health care beds, outpatient mental health services.
 - Development of Garner Whole Health Campus and continued operation of WakeBrook
- Transitional Housing support for community partners addressing housing needs
- Economic Development in southeast Raleigh Health & Education District
- Exploring new opportunities: Virtual Care in Wake County Schools

Public Accountability

Reported annually to the Wake County Commissioners, as we have done since 1997:

- Commitment to **maintain and expand general hospital services** in Wake County with details about any additions and/or changes in key services
- **Commitment to maintain or increase the current amount of indigent/charity care** provided by WakeMed – at least 4.8% of revenue from patients who are Wake County residents
- Expansion of **financial assistance policy** from 300% to 400% of Federal Poverty Level
- Board meetings remain **open to the public**

Directors appointed by WakeMed, as representatives of the community, ensure compliance.

WakeMed
COMMUNITY BENEFIT REPORT
2022 • 2023 • 2024

LIVE WELL WAKE

WAKE COUNTY
2025 Community Health Needs Assessment

Community Health Needs Assessment Implementation Plan
2025-2027

WakeMed

In 2025, WakeMed participated in Wake County's 2025 Community Health Needs Assessment – the process is a collaborative effort between the residents of Wake County and its many community partners, including the other health care systems operating in Wake County. Throughout this process, three key opportunities were identified as critical to improving the health and well-being of our community.

- Access to Health Care
- Mental Health
- Affordable Housing and Homelessness

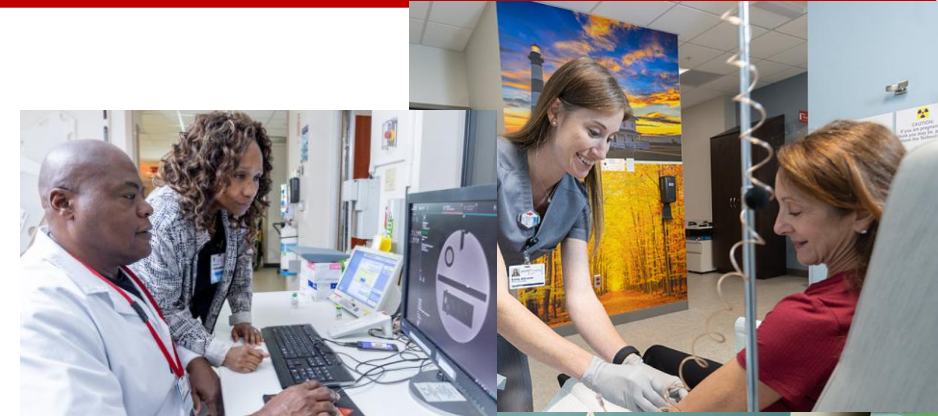
As such, WakeMed has developed the following implementation plan to address the priorities outlined in the Wake County 2025 Community Health Needs Assessment. As part of WakeMed's mission to improve the health and well-being of our community by providing outstanding and compassionate care to all, we are committed to supporting and addressing the unique and diverse needs of our growing community.

ACCESS TO HEALTH CARE
Ensuring all members of our growing community have access to the health care services they need is critical to maintaining the health of Wake County. WakeMed is focused on improving access to care through continued growth and expansion, as well as the development of innovative models of care delivery.

ACTIONABLE ITEM	STRATEGY	ACCOUNTABILITY MEASUREMENT
Expand access to adult and pediatric primary care across Wake County and surrounding areas	<ul style="list-style-type: none"> • Add walk-in and traditional primary care offices. • Build and expand innovative, virtual primary care access pathways outside of traditional office visits. 	<ul style="list-style-type: none"> • Track total number of primary care visits, total number of primary care clinical attributions. • Track the number of new primary care sites added.
Enhance access to high-quality specialty care	<ul style="list-style-type: none"> • Expand cancer care services along with infusion center services. • Continue expansion of Brain & Spine programs to enhance services for patients with brain disease and/or neurological disorders. • Develop value-based collaborations and pathways to benefit patients receiving surgical services for coronary artery bypass, major bowel, joint replacement, hip and femur fracture, and spinal fusion procedures. • Focus efforts to shift surgery volume to outpatient when clinically appropriate to improve value and increase inpatient capacity. 	<ul style="list-style-type: none"> • Monitor patient volumes in specialty services. • Time to next appointment for Cancer Care.

Workforce

- **We will employ more people not fewer** – creating more than 3,300 jobs over the next five years
- WakeMed has always attracted top talent
- WakeMed and Atrium Health will work to create an integrated health system that shares key foundational elements
- The closing of this transaction will not result in any layoffs
- For employees this means opportunity. Integration with Atrium Health will be gradual and thoughtful, with input from staff across the organization
 - More opportunities to learn, develop and explore more career paths
 - Employee years of service will be honored; benefit and pay harmonization efforts will align total rewards programs to the broader enterprise
 - Expand medical education in Wake County through Wake Forest University School of Medicine
- Committed to maintaining Magnet *with Distinction* for Nursing



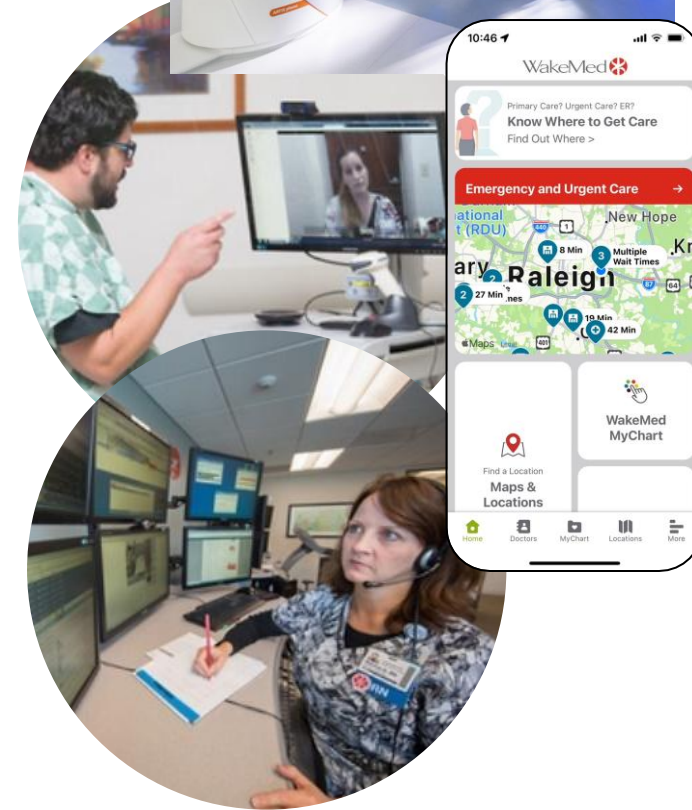
Patient Experience, Technology & Innovation

Care for the Patient and Family a primary focus for both organizations.

- Data gathering and continuous improvement efforts on-going.
- Share best-practices and initiatives with proven positive impact on patient experience.
- Qualtrics provides post-care and real time data. Many concerns and issues are resolved at the bedside.

Technology & Innovation

- Electronic Patient Record – both organizations already use Epic and MyChart.
- Training and partnerships with leading medical technology companies provide world-class training opportunities for physicians, APPs and staff.
- Atrium Health's virtual platform will be expanded to reach all of North Carolina; opportunity to offer option in Wake County Schools.
- Capital investments to ensure medical technology keeps pace with accelerating advances.



Service Preservation

- Services are consistent with the strategic plan
- Long-standing commitment to maintaining our community safety net services – Trauma Centers and emergency care, primary care, children’s and maternity and NICU care, mental health and care for vulnerable populations
- Decisions around services and locations are operational decisions led by the CEO and Leadership team – will be done at the local level – based on community need and in collaboration with Atrium Health
- Service development decisions are driven by market data, community need and planning insights



Charity Care

WakeMed will always stay true to its mission of providing excellent healthcare to this community – and for every single person regardless of their ability to pay – a mission we share with Atrium Health.

This combination includes commitments to:

- **Maintain or increase the current amount of indigent/charity care** provided by WakeMed
 - Continued delivery of Transfer Agreement requirements: **4.8% Charity Care** for Wake County residents (2025 actual 12.61%)
- Expand our **financial assistance policy** from 300% to 400% of Federal Poverty Level



Community Benefit

Direct Community Benefit	FY 2025	FY 2024	FY 2023
Unreimbursed Cost of treating Charity Care patients	\$101,753,098	\$99,159,299	\$116,034,706
Unreimbursed costs of treating Medicare patients	\$242,058,677	\$228,344,798	\$248,117,775
Health Professions Education	\$ 11,603,356	\$ 9,790,247	\$ 7,591,387
Community Education, Health Improvement, Outreach and Contributions	\$ 18,679,609	\$ 16,358,667	\$ 16,133,654
TOTAL DIRECT COMMUNITY BENEFIT	\$398,003,938	\$353,653,011	\$387,877,522
Uncollectable Debt Expense	\$ 25,663,120	\$ 30,016,901	\$ 28,810,970

Affordability

We are committed to providing value to the patients we serve.

- Expansion of Financial Assistance policies
- Consumers experience health care costs primarily through the cost of insurance, not health care delivery.
- WakeMed reimbursement has generally not kept pace with rising costs of delivering care (labor, supply, pharmaceutical, etc.), while premiums continue increasing at significantly higher rates
- Studies show that consumers in more highly integrated states may have more affordable insurance premiums and lower per capita health care expenditures. (Kaiser Family Foundation 2019)
- **2026 American Hospital Association report: Making Health Care More Affordable** identifies **five key strategies** for lowering costs, all of which are being addressed by this combination:
 1. Improve health of individuals and communities – enhanced access, engage individuals in their care; price transparency
 2. Transform care delivery – better care coordination, decrease care variation, manage chronic illness
 3. Reduce administrative waste – particularly as it relates to insurance claims processing
 4. Lower Drug and Device costs – access to more cost-effective generic medications, pay for value
 5. Innovate to improve care – data analytics, predictive modeling, digital access, telehealth

Health Equity & Underserved Communities

Both WakeMed and Atrium Health have strong, established programs in place to address health disparities and improve access for underserved members of our communities – which is foundational to our aligned care for all missions.

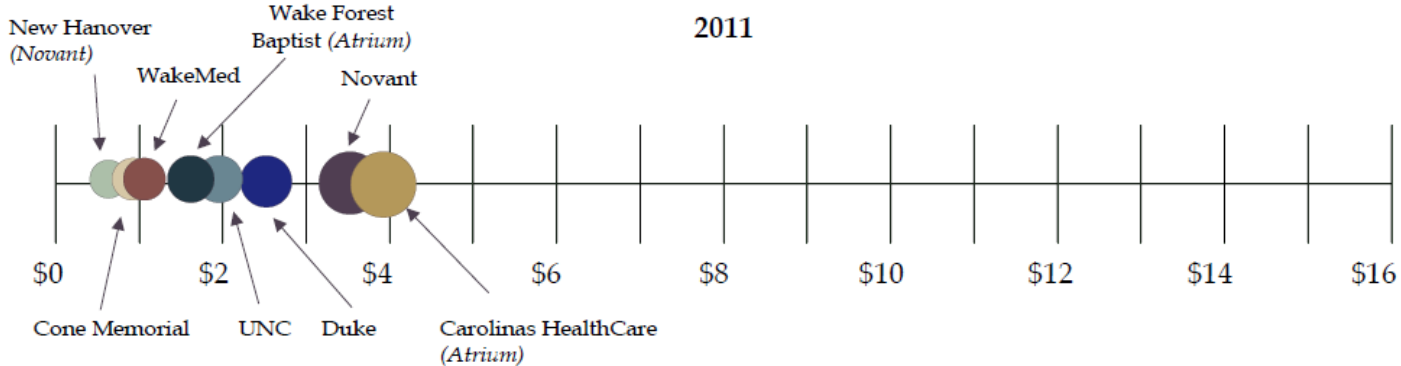
This combination provides further opportunities to learn from each other on what we are doing to meet needs.

- WakeMed Center for Community Health – focused on improving in health outcomes for the most vulnerable, unconnected and un-resourced members of the community.
- Community-based efforts/case management addressing disparities by Zip code
- Community outreach and education
- Established Social Determinants of Health (SDOH) screening programs and connection to community resources based on needs
- Leverage technology to improve efficiency in community resource coordination and referrals

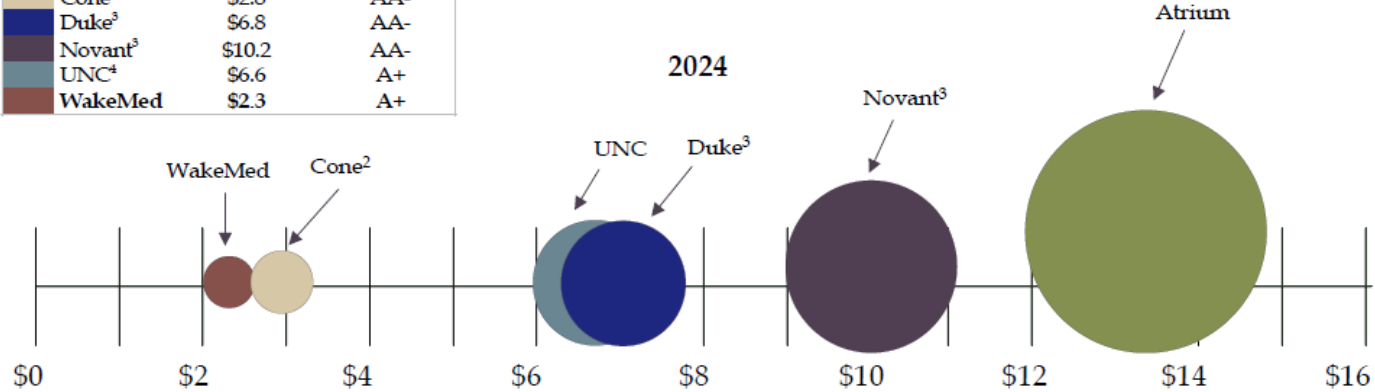


Market Situation (Statewide Health Systems)

Size and scope matter. Increasingly, independent health systems will struggle to keep pace with health care transformation.



System	NC Rev (\$b) ¹	Fitch Rating
Atrium	\$13.9	AA
Cone ²	\$2.8	AA-
Duke ³	\$6.8	AA-
Novant ³	\$10.2	AA-
UNC ⁴	\$6.6	A+
WakeMed	\$2.3	A+



Sources: Publicly available audits

- Notes:
1. Revenue reflects most recent publicly available audits - FY24 for all systems except Atrium and Cone (FY23). Figures approximate the portion attributable to North Carolina operations.
 2. Cone Health is now part of Kaiser Permanente, a \$110B+ revenue system. Revenue shown reflects only Cone's North Carolina operations.
 3. In March 2025, Duke Health and Novant Health announced a strategic partnership.
 4. UNC Health does not have a systemwide Fitch rating; the rating shown is for UNC Health Rex.

Financial Scenario & Alternatives Considered

- WakeMed is in a **strong financial position today**, and we enter this strategic combination from a position of strength – bringing a solid balance sheet and favorable financial ratings – the very qualities that make us an attractive partner and give us the flexibility to pursue this agreement on our own terms.
- Industry trends and broader forces – both longstanding and emerging – are making it increasingly difficult for smaller independent health systems like WakeMed to sustain long-term success.
 - **Borrowing Power:** WakeMed does not have sufficient cash on hand, nor the debt capacity needed to grow as necessary to meet community needs while dealing with rising supply, labor and pharmaceutical costs.
 - **Uncertainty Around Medicaid-related Programs** and the recent shift to Medicaid Managed Care are expected to significantly impact our financial outlook.
 - Reduction in Medicaid eligibility will impact 250,000 people
 - Significant reductions in reimbursement in combination with ongoing claims denials, payment delays, and administrative complexity
 - Participation in **Affordable Care Act coverage** is down 17% in Wake County – due to premium costs and loss of tax credits
 - **Competitive Market:** We operate in one of the nation's most competitive health care markets.

Competition & Collaboration

A **three-system competitive** market will remain and gives people choice they need. We compete but also **collaborate** in a variety of ways. WakeMed's current primary competition includes:



Rex Hospital Campus, Holly Springs Hospital, outpatient facilities, surgery centers and physician practices in Wake County

UNC Campus in Chapel Hill; numerous outpatient facilities, referral location for quaternary services adults and children; specialists with rotating clinics



DukeHealth

Duke Health Raleigh Hospital; outpatient facilities and physician practices throughout Wake County; new hospital in Cary

Duke University Hospital, Durham Regional Hospital; referral location for quaternary services adults and children; specialists with rotating clinics

NC Children's Hospital, Apex, NC – collaboration between Duke and UNC



Collaboration examples: Peak Rehab, Heart Failure, teaching (Duke); UNC School of Medicine medical students and residents, pharmacy students

UNC Offer

- Would result in 80%+ inpatient market share in Wake County dominated by one entity
- Reduces choice for patients and employees in Wake County
- Unsolicited offer received on May 5 after the combination became public
- \$5 Billion includes \$2.5B to WakeMed; \$2.5B investment in Wake and surrounding counties – details vague
- Question as to where control would be – local or only in Chapel Hill
- What we look for in a partner:
 - Mission alignment
 - Commitment to care for all – demonstrated, not just stated
 - Cultural match – patients, families, community and our people first
 - Excellence in quality of care – demonstrated, and available *for all*
 - Financial means – to support on-going capital investment
 - Continued local governance – rather than becoming part of another system

Conflicts of Interest & Compensation

- All Board members, management staff, physicians and APPs complete and sign a Conflict-of-Interest form annually – detailed answers are provided for any potential conflict
- All Board members are volunteers and do not receive any compensation
- Compensation at all levels of the organization is market competitive – necessary to recruit and retain top talent
- There are no conflicts with anyone associated with this combination



Key Takeaways – WakeMed – Atrium Combination

- This combination will strengthen WakeMed's ability to **compete** and provide **choice** in this rapidly growing market.
- Ensures our ability to **care for all**.
- **\$2 billion investment** in Wake County helps secure WakeMed's future; this is just the beginning.
- At its core, **we remain who we are** – with the care and clinicians you know and trust.
- **Decisions are made locally** – governed and lead locally.
- Will **increase** access to care, enhance specialty services, provide options for clinical trials, research and education for the next generation of health care workers.
- **Quality of care** will be further enhanced.
- It will **not raise costs**; scale will help with reducing our costs for supplies, medicines, equipment and more with increased purchasing power.
- Our **people are our greatest gift**; this provides even more opportunity for career growth.





Additional Thoughts ?



Atrium Health