

WakeMed Health & Hospitals



Donald Gintzig
President & Chief Executive Officer

Mission, Vision & Values



Our Mission

WakeMed is committed to improving the health and well-being of our community by providing outstanding and compassionate care to all.

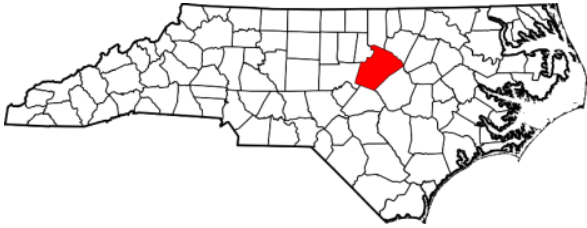
Vision

WakeMed will be the provider of choice and the preferred partner for quality health care and community health by:

- Collaborating with physicians, employees, volunteers and others to engage, educate and guide our community to take charge of their health and well-being.
- Transforming patient care delivery through high-quality, coordinated services for the best value.
- Ensuring we are the best minds and biggest hearts.



Who We Are



- Private not-for-profit
- Only hospital system based in Wake County
- Largest provider of care in the county
- Investing in keeping Wake County well



- 919 beds
- 1 million patient visits per year
- 300,000 emergency visits per year
- 95,000 adjusted discharges
- 8,000 births



Highest Level of Care

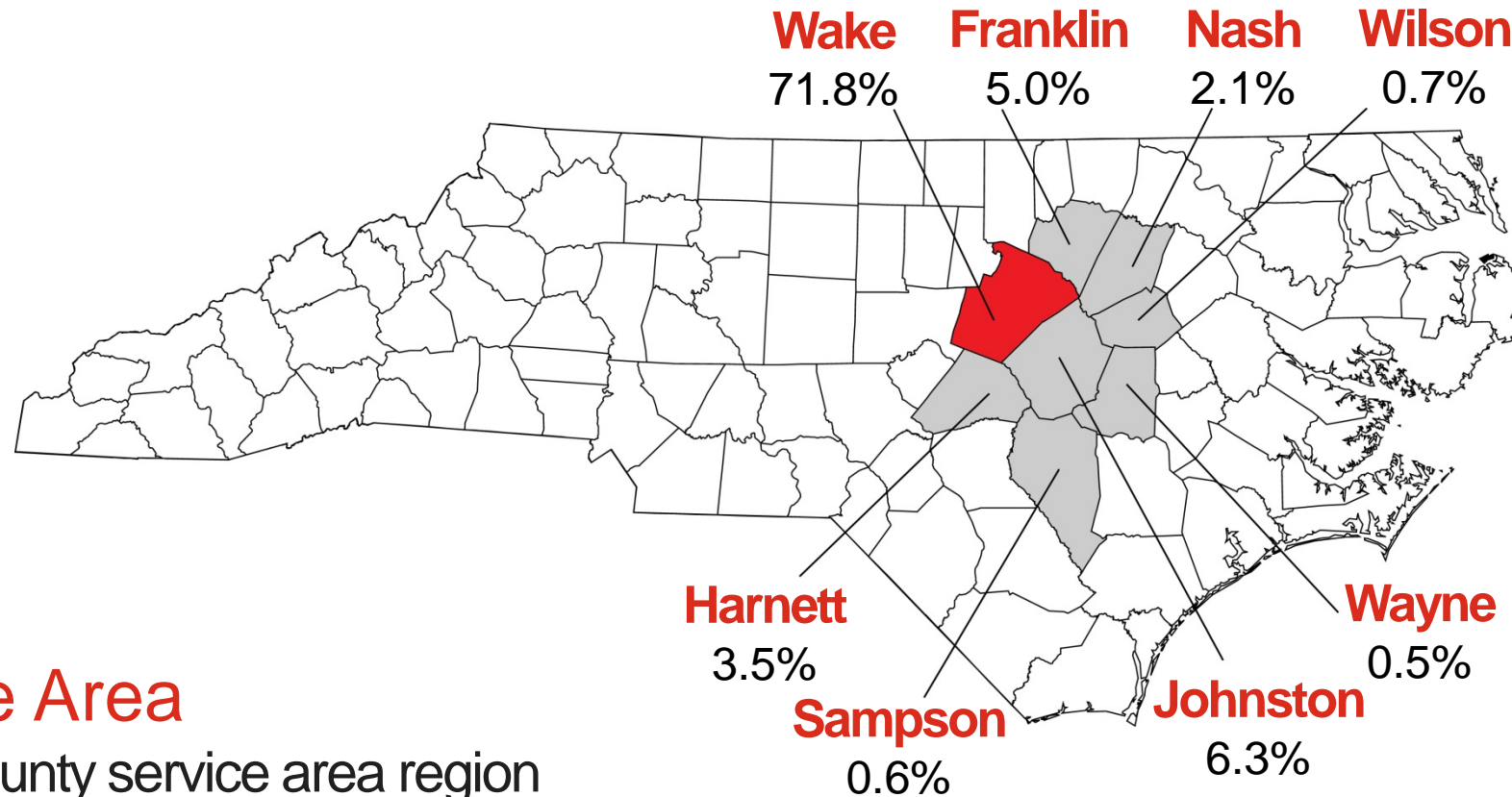
- Children's
- Rehab
- Women's
- Trauma
- Emergency
- Orthopaedics
- Heart & Vascular,
- Neurosciences
- Surgery
- Critical Care

WakeMed provides significant resources to care for the community we serve.

Since our 2012 bond issue,
we have provided more than **\$1.3 billion**
in uncompensated care.

This represents the unreimbursed costs of care for uninsured and underinsured patients, including charity care as well as those covered by Medicare and Medicaid.

Our Market

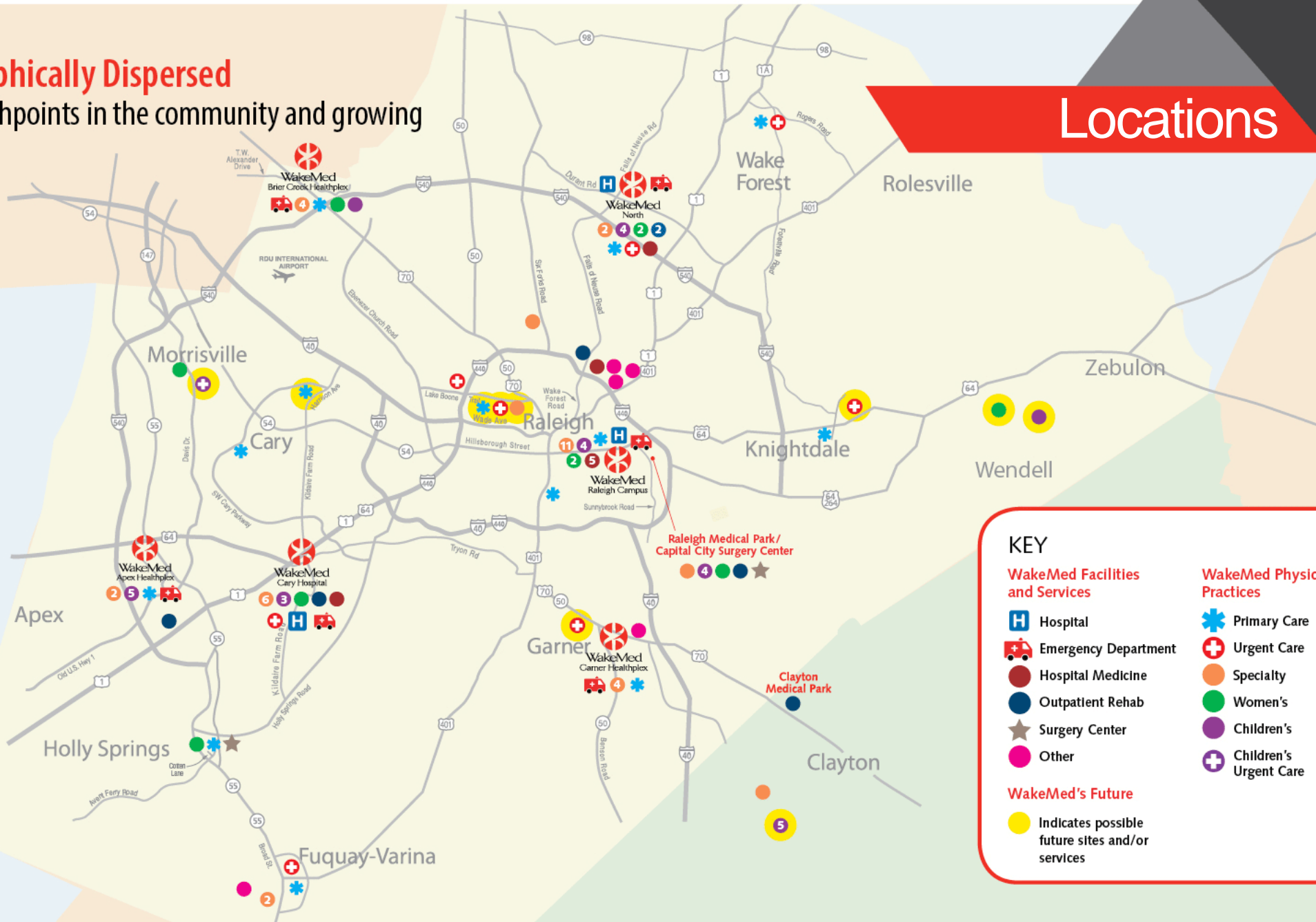


Service Area

- Eight-county service area region
- 90.5% of inpatients live in the service area
- 71.8% of WakeMed's patients live in Wake County

Geographically Dispersed
80+ touchpoints in the community and growing

Locations



KEY

WakeMed Facilities and Services

- Hospital
- Emergency Department
- Hospital Medicine
- Outpatient Rehab
- Surgery Center
- Other

WakeMed Physician Practices

- Primary Care
- Urgent Care
- Specialty
- Women's
- Children's
- Children's Urgent Care

WakeMed's Future

- Indicates possible future sites and/or services

Bonds & Debt Restructure

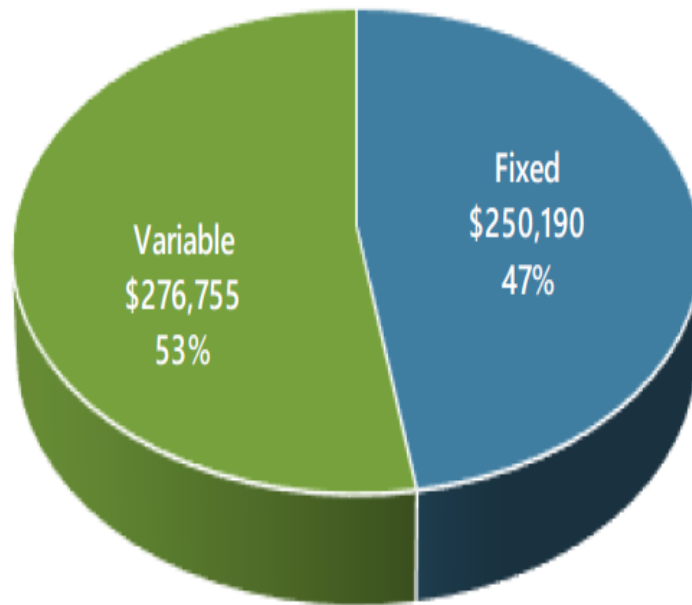
- The 2019 Bonds will be a combination of tax-exempt fixed-rate bonds and LOC-backed variable-rate demand bonds to fund:
 - \$80M in new money for strategic initiatives
 - Restructuring up to \$297M of existing debt

Goals

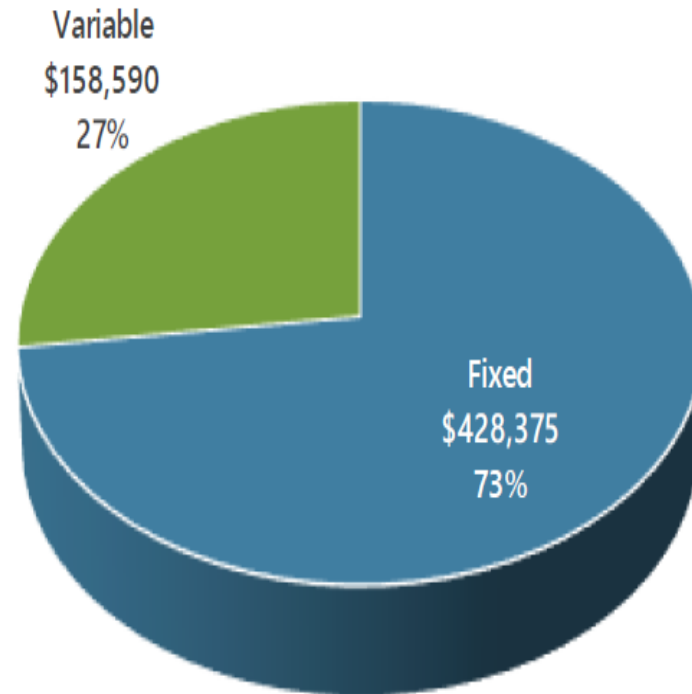
- Benefit the county, municipalities and the community
- Finance new money projects in a cost-efficient manner
- Restructure amortization of existing debt to create cash flow relief
- Revise debt mix to include more fixed rate debt
- Take advantage of current attractive interest rates

Current vs. Pro Forma Debt Mix (\$ in thousands)

Current Debt Mix



Pro Forma Debt Mix



Note: Preliminary, subject to change

Capital Projects



WakeMed Cary Hospital

- Bed Expansion and OR
- Air Handler



WakeMed Raleigh Campus

- Renovation of Patient Floors
- Air Handler



WakeMed North Hospital

- Air Handler

Tax-Exempt Eligible Capital Projects

Cary Hospital Expansion	\$60.0M
Air Handlers	16.6M
Patient Unit Renovations	3.4M
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Total Capital Projects	\$80.0M

Cary Hospital Expansion



WakeMed Cary Hospital is adding beds and OR capacity to meet the long-term needs of its local service area.



Project Details

- Construction of 2 floors above the west wing
- Relocation of 30-beds from Raleigh Campus for a total of 202
- Relocation of 1 OR from Raleigh Campus for a total of 10 ORs and 2 C-section rooms

Refinancing



WakeMed Cary Hospital



WakeMed Raleigh Campus



WakeMed North Hospital



WakeMed Brier Creek Healthplex



WakeMed Raleigh Medical Park

Why the Public Finance Authority of Wisconsin?

- **Timing**

Under the North Carolina Medical Care Commission policies for “new money projects,” the earliest WakeMed could get to market would be September 2019. Goal is to take advantage of the current favorable interest rates.

- **Debt Restructure**

Under the Local Government Commission of North Carolina’s policies, WakeMed would not be able to restructure its debt in the way it wishes.

- **Experience with Financing in North Carolina**

Approximately 100 North Carolina projects have been financed by the Public Finance Authority (including financings for Cone Health and Cape Fear Valley Health System, among others).

Requirement for Public Hearing and Local Approval

- **Governing Body Approval**

Under Section 147(f) of the Internal Revenue Code of 1986, a public hearing must be held with respect to the financed project and the bonds. After the public hearing, the elected governmental unit must approve in principle the issuance of the bonds. Since all of the improvements financed and refinanced are within the jurisdiction of Wake County, the Board of Commissioners of Wake County qualifies as one of the governing bodies.

- **Public Finance Authority**

Public hearing held and approval received on March 6, 2019

No Financial Liability for Wake County

- **Not a Debt of the County**

The Bonds will **not** be a debt of the County, or a pledge of the faith and credit of the County. They will be limited obligations of the Authority payable solely from the loan repayments to be made by WakeMed to the Authority

- **No Responsibility for Payment**

Because no taxes or other revenues of the County are pledged to pay the Bonds, the staff of the County has made no financial analysis of the Bonds, the Corporation or the improvements.

Next Steps

- Conduct the public hearing
- Approve the resolution set forth in the agenda package

Exceptional People. Exceptional Care.

WAKEMED IS A COMMUNITY TREASURE



Community Trust & Support

- Dedicated to mission
- Strong, viable health system
- Nearly 60-year proven track record
- Solid market position as the largest health system in North Carolina's most populous county
- Uniquely positioned for growth, offering the most comprehensive health services in Wake County

Exceptional Care & Quality

- Strategic initiatives, partnerships, innovations and investments
- Focused on increasing access, quality care and value

Results

- 2019 expected to be another year of solid operating and financial results



Thank You



Sources and Uses



(\$ in thousands)	2019A Bonds	2019B Bonds	2019C Bonds	Total
Sources				
Par Amount	\$198,185	\$79,295	\$79,295	\$356,775
Net Premium	24,103	-	-	24,103
Total	\$222,288	\$79,295	\$79,295	\$380,878
Uses				
Project Fund	80,000	-	-	80,000
Debt Refinancing	139,808	78,500	78,500	296,808
Cost of Issuance	2,479	795	795	4,069
Total	\$222,288	\$79,295	\$79,295	\$380,878

Note: Preliminary, subject to change

Financing Providers

(\$ in thousands)

Series	Par Amount	Product	Underwriter/ Credit Provider
2019A	\$198,185	Fixed-Rate Tax-Exempt Bonds	Underwriter: Barclays BAML JPM Wells
2019B	79,295	5 Year LOC-Backed VRDB	LOC Provider and Remarketing Agent: Barclays
2019C	79,295	5 Year LOC-Backed VRDB	LOC Provider And Remarketing Agent: Barclays
Total	\$356,775		

Note: Preliminary, subject to change