

September 19, 2026

Dear Governor Stein,

Thank you for your September 17, 2026 letter. We appreciate the opportunity to address the issues you raised and to clarify the commitments that would accompany the proposed combination of Atrium Health and WakeMed.

1. Maximizing the Value of the \$2 Billion Investment

With respect to the significant capital investment being made, we have reached agreement with Wake County on language clarifying that Atrium Health sources of funds will be utilized to invest \$2 billion over a 15-year period. Importantly, these investments will enable transformational projects that WakeMed would not otherwise be able to undertake on its own.

The clearest example is Southeast Raleigh, where a rapidly growing community is served by aging infrastructure that requires replacement. Should this combination proceed, one of the top priorities would include a \$1.36 billion investment to revitalize the Raleigh campus. This would include a replacement patient tower, a new adult emergency department and trauma center, new operating rooms for surgical and heart and vascular procedures, state-of-the-art adult intensive care and medical-surgical beds, expanded parking, and improvements to Campus Drive to better align with the continued growth of Wake Technical Community College and the Perry Health Sciences campus.

Additional investments would include expanding specialty care through the continued development of nationally recognized centers of excellence in cancer, cardiovascular care, pediatrics, neurosciences, and maternal-fetal medicine. They would also accelerate the creation of one of North Carolina's largest behavioral health networks, increase access to primary care through new locations and virtual care delivery models, and expand WakeMed's access to clinical trials, research capabilities, and innovation infrastructure, through the broader Advocate Health platform.

These are investments that will significantly improve access, quality, and outcomes for patients throughout Wake County and beyond.

2. Strengthening Financial Assistance for Indigent Patients

With respect to charity care, we have reached agreement with Wake County to increase the minimum indigent care commitment from 4.8% to 8% of adjusted revenues.

WakeMed already operates one of the most generous charity care programs in Wake County. Atrium Health, as the largest provider of charity care in North Carolina, operates under an even

more expansive financial assistance policy. Atrium Health provides assistance to patients with household incomes up to 400% of the federal poverty level and includes additional hardship protections for families facing extraordinary circumstances.

Further, it should be noted that in 2025, Atrium Health provided \$2.4 Billion in community benefit in North Carolina, including free and discounted care as well as targeted community health improvements. More specifically, in 2025, nearly 100,000 North Carolina patients received 100% charity care through Atrium Health and never received a bill. Approximately 90% of patients were pre-identified and automatically screened for financial assistance eligibility, reducing their paperwork burdens and the stress of going through the qualification process.

In addition, we are creating a \$150 million Wake County Whole Health Program. These resources will be deployed at the sole direction of Wake County Commissioners to support nonprofit organizations and community priorities that improve health, well-being, and quality of life. The program will support priorities such as youth crisis stabilization, foster care services, homelessness programs, EMS and county health facility improvements, housing initiatives, food security programs, in-home assistance for seniors, expanded mental health services, behavioral health programs and other community priorities identified by Wake County. This commitment reflects a shared belief that improving health requires investments not only in hospitals and medical care, but also in the community organizations and services that address the underlying drivers of health.

The agreement also commits to protections related to medical debt and collection practices. Under the agreement, the organization will not engage in extraordinary collection actions such as reporting medical debt to credit bureaus, denying medically necessary care based on unpaid bills covered by financial assistance policies, garnishing wages, foreclosing on homes or pursuing other aggressive legal remedies. These commitments represent some of the strongest patient protections in North Carolina and reinforce our commitment to ensuring that financial hardship does not become a barrier to receiving care.

3. Keeping Health Care Prices in Check

We share the State's goal of ensuring that healthcare remains affordable and accessible for North Carolina families. It is noteworthy that recent comments from the State Health Plan affirmed that "Atrium Health was no more expensive than other leading health systems in North Carolina."

With respect to keeping health care prices in check, while neither Atrium Health nor WakeMed are permitted to have visibility into each other's current payer agreements per antitrust guidelines, we intend to honor all existing agreements at the time of closing. That said, with your support of this combination, for any new agreements or negotiated renewals for services at WakeMed for ACA and commercial patients during the five-year period following closing, we are prepared to accept the recommended cap on annual reimbursement rate increases equal to 1.5 times the annual Medicare reimbursement increases. (For clarity, approximately half of our net revenue comes

from Medicare and Medicaid, where reimbursement rates are set by state and federal governments rather than negotiated by health systems.)

In the spirit of fairness and affordability, we request that your office make good-faith efforts to apply comparable expectations to other health systems in the Raleigh-Durham area and to ensure that savings resulting from the rate cap are passed through to consumers and employers rather than retained by insurance companies as increased margin.

Separately, with respect to the statistics shared with us in our meeting this week, we do want to clarify any misinformation that may have been passed along to you from outside sources. Since Atrium Health and Wake Forest Baptist came together, the cumulative reimbursement increase for Wake Forest Baptist has been less than half of the 40% level that was relayed to us. In addition, the cumulative reimbursement increase has been approximately 40% lower than hospital CPI over the same period, demonstrating our commitment to affordability.

Additionally, regarding the cited Brown University study, there are legitimate concerns about whether its methodology supports broad conclusions regarding healthcare pricing. The study does not isolate commercial insurance pricing and instead includes a mix of payer types, including Medicare Advantage, Medicaid, Managed Medicaid, uninsured patients, and commercial insurance, making it difficult to determine how much of the reported trends are attributable to commercial insurance alone. Of greater concern, it counts money coming in, but not the costs going out during a period that included new Medicaid expansion and HASP funding. In addition, changes in payer mix, patient complexity, and potential one-time financial adjustments may have influenced the results and warrant caution in interpreting the study's findings.

In summary, Governor, we are making one of the largest incremental healthcare investments in Wake County's history of \$2 billion, raising charity care minimum requirements from 4.8% to 8% of adjusted revenues, creating a \$150 million Wake County Whole Health Program to support social and other services under increased strain, strengthening medical debt protections, and capping price increases for five years. No other healthcare transaction in North Carolina's history has come with this level of commitment to affordability and community.

Thus, we would respectfully request your support of this combination, which will significantly enhance health care for the citizens of Wake County for generations to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Woods".

Gene Woods
Chief Executive Officer
Advocate Health

A handwritten signature in black ink, appearing to read "Donald Gintzig".

Donald Gintzig
Chief Executive Officer
WakeMed Health & Hospitals