

**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR**

**JOSH STEIN
GOVERNOR**

September 17, 2026

Rear Admiral Donald R. Gintzig (Ret.)
President and Chief Executive Officer
WakeMed
3000 New Bern Ave.
Raleigh, NC 27610

Mr. Eugene A. Woods
Chief Executive Officer
Atrium Health
1043 East Morehead Street, Suite 201
Charlotte, NC 28204

Dear Gene and Donald,

Thank you for speaking with us this morning. I appreciate that you believe that this proposed combination will bolster WakeMed's ability to serve its community into the future, and I was encouraged by the new commitments Advocate has made since our previous correspondence. I also appreciated hearing your perspective on our concerns about nurses and other critical staff and the reversion of WakeMed property if Advocate fails to uphold its commitments. Still, I remain concerned about some aspects of the proposed strategic combination. These are my paramount concerns:

1. Keeping Health Care Prices in Check

I am concerned that this combination will lead to heightened increases in health care costs for Wake County residents. Those concerns are supported by publicly available research and data about prices at Advocate Health, including the following:

- a. Using data from the publicly available RAND Hospital Data calendar-year HCRIS file, researchers at Brown University found that "annual hospital prices" (which they define as "net inpatient revenue from non-Medicare patients divided by non-Medicare inpatient discharges") at Wake Forest Baptist Hospital increased 28 percent from 2020-2024, whereas prices at the average North Carolina hospital increased 20 percent in the same time period. *See Hospital Price Effects of Advocate's and Atrium's Recent Cross-Market Transactions* at 5-6, Brown Univ. Cntr. for Advancing Health Policy Through Rsch. (Aug. 12, 2026), available at <https://www.northcarolinahealthnews.org/wp-content/uploads/2026/08/Hospital-Price-Effects-of-Advocates-and-Atriums-Recent-Cross-Market-Transactions.pdf>

- b. More generally, the publicly available [National Academy for State Health Policy's Hospital Cost Tool](#), which uses data from the Rand Hospital Price Transparency Study Round 5.1, shows that Advocate charges higher prices to commercial insurers than does WakeMed. Specifically, the average prices commercial insurers paid to Advocate Health were 346 percent of Medicare in 2022, 2023, 2024. In the last year before Atrium and Advocate combined, Atrium's average commercial insurance prices were 351 percent of Medicare. That same tool shows that WakeMed's average commercial rate for 2021-2024 was 297 percent of Medicare.

I cannot support this deal without a commitment to keep health care costs down for people in Wake County. Therefore, I ask you to commit to an enforceable cap on annual price increases at WakeMed for the next five years. I propose a commitment to not increasing prices more than 1.5x the rate that Medicare increases prices each year.

2. Maintaining Financial Assistance for Indigent Patients

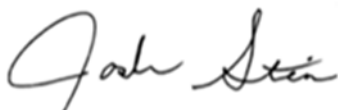
I am also concerned about the lack of guarantees around continued access to care for low-income patients. Protecting access to care for low-income patients is critically important. I understand from our call that you are willing to make additional commitments to indigent care. Specifically, I understand that Advocate is willing to commit to devoting eight percent of annual adjusted total WakeMed revenue to indigent care each year and creating a \$150 million community benefit fund. My team and I look forward to reviewing these commitments and any additional details about them to determine whether they satisfy our concerns.

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

As I have previously indicated, I am concerned that, contrary to the impression given to the public, the majority of Advocate's promised \$2 billion investment could theoretically come not from Advocate, but from funds generated by WakeMed. I understand from our call that you are willing to make additional commitments about the \$2 billion investment. Specifically, I understand that Advocate is willing to commit to fully funding the \$2 billion investment over 15 years. My team and I are eager to review the details of this new commitment to ensure that these funds will not be sourced from WakeMed.

Thank you again for your time this morning. I look forward to continuing to engage with you on these topics. Given the concerns you expressed about timing, I ask that you respond as quickly as possible. My team and I are available at your convenience.

Sincerely,



Josh Stein
Governor