

Questions Submitted by Wake County Commissioners for WakeMed Regarding a Strategic Combination with Atrium Health

Commissioner Shinica Thomas

Governance, Public Trust & Democratic Accountability

- 1. What governance structure is being proposed, and how much actual decision-making authority would remain rooted in Wake County rather than shifting to a larger corporate healthcare system?**

The WakeMed Board will continue to govern WakeMed, with a real voice in all major decisions impacting the health and needs of the citizens of Wake County. That local governance leadership will be strengthened by access to Atrium Health's broader expertise, scale and capabilities. Together, the two healthcare organizations envision a shared governance model that preserves WakeMed's local voice while expanding what it can achieve for the community.

- 2. Would WakeMed retain an independent governing board with meaningful authority over healthcare priorities, or would local oversight gradually become symbolic or advisory in practice?**

The WakeMed Board will remain an independent board with fiduciary duties to WakeMed and with direct input into all major and strategic decisions affecting WakeMed. WakeMed will be governed by a 14-member board of directors, with a majority (8) members of the board being Wake County residents approved and appointed by the Wake County Board of Commissioners after being nominated by the full WakeMed Board. The WakeMed Board will continue to govern WakeMed and have a say in all major decisions affecting WakeMed, with a duty to put WakeMed first.

- 3. Which decisions involving services, staffing, facility operations, labor practices, or capital investments could ultimately be made outside of Wake County?**

The WakeMed Board will continue to govern WakeMed, which will continue to operate under its own licenses and medical staff, maintaining clinical standards and local accountability for patient care. WakeMed has had, and will continue to have, a real voice in determining the capital projects to be funded by Atrium Health's \$2 billion capital commitment to WakeMed. Atrium Health will participate in large-scale strategic decisions, such as systemwide investments and long-term planning; however, core decisions about patient care and daily operations will remain local.

- 4. How will Wake County residents — especially patients, healthcare workers, low-income communities, communities of color, immigrants, seniors, and historically underserved populations — continue to have a meaningful voice in the future direction of WakeMed?**

The people who live in Wake County will keep sharing what they need, and WakeMed will keep listening. WakeMed will continue to rely on direct community input to guide its priorities through regular Community Health Needs Assessments, conducted in partnership with Wake County and local partners. This input is gathered from across all communities and used to shape priorities such as mental health, access to care and affordable housing. These insights directly inform how WakeMed invests in services and programs, ensuring that community voices continue to drive decision-making.

Atrium Health follows a similar model across the communities it serves — combining formal community health assessments with ongoing outreach to guide investments in care, workforce, and community programs. That approach has helped shape its priorities and position as a leader in the state in delivering community benefit, including investments in affordable housing, food insecurity and behavioral health.

5. What legally enforceable protections are being negotiated to preserve WakeMed’s mission as a community-serving public health institution rather than a system driven primarily by market expansion or revenue growth?

A promise only matters if it holds up, so protections are written into the agreement and backed by enforceable commitments. WakeMed will continue to serve the residents of Wake County without regard to their ability to pay and will keep WakeMed’s existing promise to care for Wake County patients who can’t afford to pay. Under the agreement with Atrium, WakeMed will actually increase its financial assistance eligibility from 300% to 400% of the federal poverty level, preserving and strengthening WakeMed’s long-standing commitment to care for all residents regardless of ability to pay. The indigent care obligations of the Transfer Agreement with the County remain the same. If WakeMed fails to maintain the indigent care obligations or operate primary WakeMed hospital facilities as community hospitals open to the general public and free of discrimination, those hospital facilities are legally required to return to Wake County. In addition, the WakeMed directors appointed by Wake County will have the authority, on behalf of WakeMed, to implement WakeMed’s contractual obligations to Wake County and to enforce Atrium Health’s obligations, including with respect to Atrium Health’s \$2 billion capital commitment to WakeMed.

6. How will WakeMed ensure that local healthcare priorities are not subordinated to broader corporate consolidation strategies or regional competitive interests?

WakeMed will keep local healthcare priorities front and center by keeping governance decisions in local hands, through the Board of Directors, who serve as representatives of the community. WakeMed will be governed by a 14-member board of directors, with a majority (8) members of the board being Wake County residents approved and appointed by the Wake County Board of Commissioners. The WakeMed Board will continue to govern WakeMed and have a say in all major decisions affecting WakeMed, with a duty to put WakeMed first. WakeMed and Atrium Health envision a shared governance structure in which WakeMed will maintain local governance and Atrium Health will oversee the WakeMed entities. If WakeMed fails to maintain the indigent care obligations or operate primary WakeMed hospital facilities as community hospitals open to the general public, those hospital facilities are legally required to return to Wake County.

7. If disagreements arise between WakeMed’s community mission and Atrium’s broader business objectives, who ultimately has the authority to decide?

WakeMed will remain a nonprofit, community-focused health system with a local board whose job is to act in the best interests of WakeMed and Wake County.

The definitive agreements for the transaction will preserve WakeMed's charitable mission, including its commitment to serve all patients regardless of their ability to pay and to address community health needs in Wake County.

Public Accountability & Transparency

8. How would transparency obligations change if WakeMed entered into a strategic combination with Atrium?

Transparency obligations will not change as WakeMed will continue to follow open meetings requirements under North Carolina law. Board deliberations will remain subject to the same public transparency standards that apply today. WakeMed’s financial results will be included in Atrium Health’s publicly available, independently audited financial statements. In addition, Wake County will continue to receive financial information from WakeMed and may request additional details to ensure compliance with existing agreements.

9. Would WakeMed continue conducting open public meetings and providing the same level of public reporting, financial disclosure, and community accountability currently expected by residents?

WakeMed will continue to follow open meetings requirements under North Carolina law. Board deliberations will remain subject to the same public transparency standards that apply today. WakeMed’s financial results will be included in Atrium Health’s publicly available, independently audited financial statements. In addition, Wake County will continue to receive financial information from WakeMed and may request additional details to ensure compliance with existing agreements.

Eight of the 14 members of the WakeMed Board will continue to be Wake County residents appointed by the Wake County Board of Commissioners. These local representatives ensure the community maintains direct oversight and accountability in how WakeMed operates.

10. What measurable benchmarks related to affordability, access, staffing, equity, and patient outcomes would be publicly reported each year?

WakeMed will continue to provide the same level of public reporting that is currently available. The organization undergoes regular reviews by multiple independent accreditation bodies that evaluate quality, safety and performance. WakeMed also complies with the federal Hospital Price Transparency Rule, which requires hospitals to publicly post standard charges and negotiated insurance rates online. This helps reduce hidden costs, promote competition, and give patients clearer information about the cost of care. In addition, WakeMed will continue its

longstanding commitment to reporting community benefits, including charity care and other programs that support access to care and improve the health of the communities it serves.

11. What mechanisms would exist if residents believe commitments made during this process are not being honored?

There are several layers of accountability built into this combination. Community Directors make up a majority of the Board, and their specific job is to hold Atrium Health accountable for the real commitments Atrium Health is making as part of this combination. If WakeMed fails to comply with its obligations under the Transfer Agreement, including charity care commitments or operating as a community hospital open to all, the facilities return to the County. Additionally, Atrium Health may not unilaterally sell WakeMed, transfer its membership interest in WakeMed to an unrelated entity, permit an unrelated entity to manage WakeMed, or change WakeMed's governing documents in a way that weakens WakeMed's rights.

12. Would the public have any formal process to review, challenge, or monitor future changes involving service reductions, closures, or restructuring?

There is a clear place for the public to turn: a Board majority that answers to Wake County. The WakeMed Board will remain responsible for overseeing all operations as the licensed operator of the system. A majority (8) members of the 14 members of the Board are appointed by Wake County, ensuring continued local oversight. The board is responsible for monitoring quality of care, overseeing the medical staff, and ensuring compliance with national accreditation standards, including those set by The Joint Commission. Through this structure, local representatives will continue to oversee major operational decisions and monitor performance on behalf of the community.

13. How will WakeMed ensure that this process remains transparent before decisions are finalized rather than after agreements are already effectively complete?

WakeMed and Atrium Health have worked to balance transparency with the need to protect confidential business information and obligations. Recognizing the importance of this decision to the community, WakeMed developed a deliberate public engagement process. This included presentations to county leaders, public meetings, and the release of materials outlining the proposal. More details of this plan are included in the timeline presented at the June 8 Wake County Commissioner Working Group meeting. Following the announcement, WakeMed expanded its outreach efforts by hosting in-person and virtual community forums, employee meetings, and discussions with local leaders, including faith-based organizations. WakeMed also created dedicated online resources for both the public and employees, conducted media interviews, and held one-on-one meetings with community members to answer questions and gather feedback.

14. What guarantees can WakeMed provide that access to care for low-income, uninsured, underinsured, and Medicaid patients will not be reduced under this arrangement?

This combination is built to protect access to care, not reduce it, and WakeMed’s commitment to care for every patient regardless of ability to pay does not change. WakeMed will remain legally obligated to provide community-based hospital services to all residents of Wake County, regardless of their ability to pay, and will continue to meet its commitment to low-income, uninsured, underinsured, and Medicaid patients. As part of this arrangement, WakeMed will expand financial assistance eligibility from 300% to 400% of the federal poverty level. This strengthens its long-standing commitment to ensuring access to care for low-income and vulnerable populations. These commitments are enforceable. If WakeMed fails to meet its obligations to provide care without discrimination or to operate as a community hospital open to all, those hospital facilities would return to Wake County.

15. How would this combination improve health outcomes in historically underserved communities rather than simply expanding market share?

This combination is not about market share — it is about showing up for the people who need care most. WakeMed has a long track record of meeting its commitments to Wake County. WakeMed began operating independently in 1965, and in 1997 WakeMed’s assets were conveyed from Wake County to a private corporation. Since then, WakeMed has met all of the requirements of the Transfer Agreement between the hospital and the County. Among these requirements is WakeMed’s commitment to providing charity care, which will not change. Atrium Health has a similar mission of caring for all in the community and the same track record of providing care to underserved communities, which is why it was the right partner for this combination.

The combination will expand access to care by increasing financial assistance so that individuals at or below 300% of the federal poverty level receive care at no cost, with highly discounted care available up to 400%. This lowers the cost of care for many residents. In addition, part of the \$2 billion investment will support programs aimed at improving mental healthcare, expanding transitional housing support, and addressing the needs of medically underserved populations.

WakeMed will continue working with public and private partners to identify areas of greatest need and invest in programs that improve health outcomes, reduce disparities, and close gaps in care.

Importantly, this is not unique to WakeMed. Atrium Health shares this same commitment and has demonstrated it consistently over time. As highlighted during the June 8 meeting, Atrium has established itself as a leader in community benefit across the state — through significant investments in areas like affordable housing, addressing food insecurity and expanding behavioral health services. Those priorities are not new, but reflect a longstanding approach to caring for underserved communities — which is why Atrium Health is the right partner for this combination.

16. What commitments are being made regarding behavioral health, maternal health, trauma care, reproductive healthcare, language access, and rural healthcare access?

In addition to the modernization and expansion of WakeMed's flagship Raleigh campus and its Cary and North campuses, along with supporting the Garner Whole Health campus and WakeMed workforce and operating capacities, the \$2 billion capital commitment will fund:

- **Expansions of behavioral health capacity and network.** Investment to build and integrate what the parties intend to be North Carolina's largest nonprofit behavioral health network, including more than 360 inpatient behavioral health beds plus expanded outpatient access, care coordination, and related support.
- **Investment in virtual care.** Investment in a statewide 24/7 virtual care network to expand access, including to rural residents of Wake County, improve continuity, and reduce avoidable emergency room visits.
- **New Healthplex sites with emergency and outpatient services.** New access points that combine emergency care and high-demand outpatient services to bring care closer to where people live and to relieve overcrowding at hospital-based sites.
- **Core community services.** The investment plan is designed to preserve and strengthen essential WakeMed services — including trauma, children's services, and key hospital and emergency capabilities — while expanding capacity to keep pace with community need.

WakeMed will continue to provide interpreter services 24/7. Atrium Health's robust language access program provides 24/7 free interpreting and translation services across all care locations. Patients have access to qualified in-house Spanish and American Sign Language (ASL) interpreters, along with on-demand video and phone translation covering over 200 languages. Just last year, Atrium Health assisted with 4.1 million translation service encounters.

Atrium Health is a national leader in rural care with many leading-edge practices in rural care. More can be learned about Atrium Health's incredible commitment to rural care by reviewing this recent report: <https://www.advocatehealth.org/news/advocate-healths-unwavering-commitment-to-rural-community-health-care>.

17. Would any services be reduced, relocated, privatized, outsourced, or consolidated as part of this arrangement?

The main focus of this combination is to expand services and increase access to care for a growing community, not reduce it. WakeMed and Atrium Health are not planning cuts, moves, privatization or outsourcing as a result of this combination. As always, WakeMed will adjust the services it offers based on how they are used and the changing needs of the community — but the goal is to provide more care, not less.

18. How would this impact patients who currently rely on WakeMed because of affordability, geographic proximity, or trust in its public-serving mission?

Those who count on WakeMed today can expect the same commitment — with expanded access and additional services — to community-based care that WakeMed has provided for over 65 years.

The combination is intended to accelerate investments that benefit patients, including:

- Modernization and expansion of the Raleigh campus

- Expanded charity care and financial assistance
- Increased access to mental health services
- New Healthplex locations with emergency and outpatient care
- Expanded virtual care options
- Greater access to specialty services, including cancer care, neurosciences and pediatric care
- Participation in a national clinical trials network, increasing access to advanced treatments close to home

In 2024, Atrium Health, as part of Advocate Health, addressed the disparities that existed in its financial assistance policies across all of the communities served in eight states. The result was the introduction of a single, simple to access policy, which made seven affordability commitments:

1. To provide access to financial assistance for healthcare services to patients who earn **up to three times the federal poverty level**.
2. To offer patients a **clear and user-friendly process** to qualify for financial assistance.
3. To include essential care patients need in Atrium Health's **financial assistance program**.
4. To **never deny care** to patients because of an outstanding bill.
5. To **personalize payment plans** to fit each specific situation in partnership with the patient.
6. To **notify patients multiple times** regarding an outstanding account balance.
7. To **advocate for better health insurance** that will help patients avoid unnecessary costs and insurance denials of care.

Importantly, this is not just a policy on paper — it is making a real difference. In 2025 alone, nearly 100,000 patients in North Carolina received care and never received a bill, reflecting a meaningful commitment to affordability and access for those who need it most.

19. What protections are being considered to prevent healthcare costs from increasing for working families and vulnerable residents?

WakeMed and Atrium Health share the concern about the affordability of healthcare and are focused on doing everything within its control to address it. A significant part of that pressure comes from medical inflation such as the rising cost of labor, supplies, energy, construction, real estate and medications. And just as importantly, insurance companies set premiums, determine coverage, and decide what they will and will not pay for. These are things outside the control of any single health system.

The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial

counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

As part of a larger healthcare system, WakeMed will have the ability to run things more efficiently, ensuring lower costs for supplies and materials, improving care coordination, reducing unnecessary complexity, and using innovation to lower the cost of delivering care. While control of every part of the system is impossible, the focus remains on factors that can be controlled — running a more efficient, coordinated system that makes care more accessible and less burdensome for the people WakeMed serves.

The best way for a family, a business, an organization and a society to reduce healthcare costs is to avoid sickness and promote good health. That is why WakeMed will make it easier for all patients to get preventive care and help with the factors that drive poor health outcomes (e.g. healthy food, housing, transportation, medications and personal safety).

This strategic combination with Atrium Health will also preserve three strong providers in Wake County that exist today — and as such patients will continue to have choice in selecting the highest quality most affordable health system. Further, Atrium and Advocate have achieved more than \$1.5 billion in cost savings from working more efficiently together while also expanding jobs by 20,000.

Atrium Health, as part of Advocate Health, is also a national leader in accountable care, consistently delivering strong results in value-based care while improving quality and lowering costs. In 2023 alone, its affiliated accountable care organizations generated more than \$135 million in savings, and since 2012 have delivered nearly \$900 million in total savings through federal programs — consistently ranking among the top-performing systems in the country.

Together, these efforts reflect a disciplined approach to managing care across all populations — reducing avoidable hospitalizations, improving outcomes, and reinvesting those savings back into patients, communities and care delivery.

20. How will WakeMed ensure that healthcare equity remains a measurable priority rather than a secondary consideration?

WakeMed's commitment to equity does not change — it is strengthened. WakeMed has long been focused on caring for all residents — regardless of ability to pay. This combination is about expanding financial assistance, increasing access through more mental health capacity, adding more access points, and delivering stronger virtual care.

Atrium Health brings a proven track record of delivering care for all at scale, and WakeMed will have the opportunity to learn from and adapt these strategies to benefit the Wake County community. One example of this vision coming to life is through the Advocate Health National Center for Clinical and Community Impact, through which the system identifies where outcomes are uneven (whether in diabetes, maternal health, or community violence) and then directs resources to close those gaps. When solutions work, they are scaled across the system to improve outcomes more broadly — and you can see it in action. In South Side Chicago, where life expectancy can be nearly 30 years shorter than other parts of the city, the first new hospital in that community in

over 100 years broke ground in early June, along with a commitment to hire 1,000 people directly from the community, improving both access to care and economic opportunity. That effort was driven by listening directly to what the community said it needed.

That same model — identifying gaps, listening first, investing with purpose and scaling what works — is exactly what Atrium Health will bring to Wake County.

Workforce, Labor & Staffing Protections

21. What impact could this have on WakeMed employees, including frontline staff, nurses, technicians, support personnel, and contracted workers?

The intent of this combination is to grow, not shrink, the WakeMed workforce. The organizations anticipate creating more than 3,300 new jobs over the next five years across clinical care, research, biosciences and support roles. Investments in virtual care, behavioral health and expanded access points will also create new roles and career pathways for nurses, allied health professionals and support staff.

These efforts will be bolstered by Atrium Health's Career Pathways framework, which creates clearer, more accessible pathways for employees to advance, build new capabilities, and pursue long-term careers in healthcare. Atrium Health invests in programs that expand access to opportunities for employees on the front lines of care and in entry-level roles, in particular — from early exposure and training to ongoing development and advancement. These include workforce pipeline programs, skills-based training and certification support, mentorship and sponsorship, and clear career pathways that enable employees to progress into higher-skill roles across the organization. These efforts are designed to strengthen retention while building a more resilient, future-ready workforce.

It's important to note that Atrium Health is the largest non-government employer in North Carolina and has been one of the state's most significant job creators — through expanding care, building new facilities and investing in education and research.

Since coming together with Wake Forest Baptist, more than 8,200 jobs have been created in Winston-Salem and the surrounding areas. And looking ahead, The Pearl innovation district and the new medical school campus in Charlotte are projected to create more than 5,500 onsite jobs — with approximately 40% not requiring a bachelor's degree — and nearly 12,000 total jobs, opening the door to meaningful career pathways for a broader segment of our community.

22. Would there be layoffs, restructuring, outsourcing, or changes to compensation, benefits, scheduling, or workplace protections?

The intent of this combination is to grow, not shrink, the WakeMed workforce. The organizations anticipate creating more than 3,300 new jobs over the next five years across clinical care, research, biosciences and support roles. The closing of the transaction will not result in layoffs, as the focus is on workforce growth and expansion. Over time, the organizations will evaluate opportunities to align compensation and benefits, with the

goal of providing competitive and equitable offerings for all employees. Further as previously stated, Atrium has a proven track record of creating jobs through growth when other organizations join the system.

23. How would WakeMed ensure staffing levels remain sufficient to maintain patient safety, quality care, and worker well-being?

WakeMed will remain committed to its mission and role in the community and will continue to provide the same quality care that its patients and community depend on. As a result, WakeMed care teams will continue to fulfill their roles as caregivers and support staff — keeping patients and family members at the center of all they do — as they do today.

WakeMed is designated as Magnet Recognition *with Distinction*™ by the American Nurses Credentialing Center, which recognized our ongoing dedication to engaging and empowering our nurses to improve outcomes for patients through shared governance and decision-making. WakeMed remains committed to upholding the Magnet standards, which emphasize engagement, professional growth and autonomy across all clinical teams.

WakeMed will continue to manage its own workforce day-to-day. That means making sure WakeMed has the right number of people to give patients an excellent experience and high-quality care.

WakeMed's Board of Directors will maintain authority and direction for the standard of care and quality for all WakeMed hospitals and clinical sites. The combination will also create new opportunities to learn from a national leader across many areas, while also proudly sharing the many ways WakeMed excels in clinical excellence and care. This will lead to further enhancements in quality, patient-centered care and employee well-being.

24. What commitments are being made to retain experienced healthcare workers and prevent burnout, understaffing, or labor instability?

WakeMed has consistently taken a thoughtful, people-first approach, and that will continue as WakeMed moves forward with the combination, and WakeMed's continued focus is on growing and strengthening its workforce. Atrium Health has committed to honoring all years of service for all WakeMed employees for all applicable programs and policies. Being part of a larger system also means access to more competitive compensation and benefits over time, stronger workforce development programs, and the ability to attract talent that a standalone system may struggle to recruit.

The combination will create new opportunities to learn from a national leader across many areas, while also proudly sharing the many ways WakeMed excels in clinical excellence and care. This will lead to further enhancements in quality, patient-centered care and employee well-being. This includes learning from Atrium Health's award-winning Best Place to Care strategy, focused on supporting caregivers, strengthening workplace culture, and helping address workforce burnout. In fact, Atrium is the only system in the state to be recognized by the American Hospital Association's Gold Award for Joy in Medicine. (More information about why the American Medical Association (AMA) awarded Atrium Health with its gold level, and highest level of recognition can be found here: <https://www.advocatehealth.org/news/advocate-health-honored-by-ama-for-commitment-to-well-being-of-physicians>.)

This combination is expected to create more than 3,300 new healthcare jobs in Wake County over the next five years across clinical care, research, education, biosciences and support roles. As WakeMed moves forward with plans for the Whole Health Campus in Garner, two new Healthplex locations, and expanded outpatient services, WakeMed anticipates continuing to grow its team and welcoming more employees and physicians in the years ahead.

25. How will frontline workers be included in conversations about operational changes that directly affect patient care?

The care teams at the bedside have a real role in how these organizations come together. This strategic combination will bring exciting opportunities to discover and share new evidence-based best practices and data-informed learnings. This sharing of information and best practices will go both ways, so both organizations learn from one another.

WakeMed and Atrium Health share workplace cultures that emphasize openness, respect and collaboration, where teams are encouraged to work together, support one another, and create an environment where everyone feels welcomed and valued. WakeMed will continue to encourage open dialogue between staff and leadership teams, through forums, surveys and other opportunities to share concerns and questions.

Like WakeMed, Atrium Health has long valued the voices of front-line employees in shaping the decisions that affect patient care. For example, Atrium uses a professional governance model in nursing, which gives frontline nurses a structured and meaningful role in decision-making through councils and enterprise-wide engagement approaches. What that means in practice is that nurses are intentionally given a formal voice in decision-making through councils and governance structures. The model includes unit-level, site, and system-level councils where frontline nurses can raise issues, recommend changes, and influence practice. This approach gives front-line employees not just input, but ownership and accountability for decisions that affect patient care and practice, and it positions them to influence outcomes, improve workflows and drive innovation.

When integration begins, the two organizations will create a roadmap for how WakeMed and Atrium Health can best come together, building upon the strengths and legacies of both organizations. Operational decisions will continue to involve the people closest to patient care. As integration planning moves forward, both organizations are committed to listening first, understanding what is working, and building on the strengths of each team. Staff from all levels of the organization will have an opportunity to be involved in and engaged in the integration process. All decisions will be made through the lens of what is in the best interest of employees, medical staff members, and the community.

26. What assurances can be given that Wake County will not lose healthcare leadership capacity, institutional knowledge, or local talent through consolidation?

The focus is keeping local leaders who know the Wake County community best. WakeMed will continue to operate as it does today, maintaining its day-to-day organizational and leadership structure working with the Atrium team. The focus is on retaining the people who know the community best and preserving institutional

knowledge. WakeMed historically maintains the lowest employee turnover rate in the region. People choose to work and stay at WakeMed because of its strong mission and culture.

Experience from similar Atrium Health combinations shows that local leadership can remain strong while benefiting from the resources of a larger system. At the same time, being part of a broader network can help attract additional talent and expand access to advanced technology and innovation.

Financial Stability, Public Assets & Community Investment

27. What financial pressures or long-term challenges are driving this discussion?

WakeMed is not doing this out of weakness, but to protect its mission for the decades ahead. WakeMed is in a strong financial position today and enters this strategic combination with Atrium Health from a position of strength — bringing a solid balance sheet and favorable financial ratings. In fact, these are the very qualities that make WakeMed an attractive partner and give WakeMed the flexibility to pursue this agreement on its own terms. However, trends across the industry — some long-standing, some newer — are making it harder for independent health systems like WakeMed to stay strong over the long term. The lingering financial strain from COVID-19, combined with rising costs, declining reimbursement, regulatory pressures, and market volatility, continues to challenge even high-performing organizations like WakeMed.

Wake County is projected to grow more than 20% over the next decade, adding more than 250,000 residents by the early-to-mid 2030s. That growth increases demand for inpatient beds, emergency capacity, specialty and complex care, behavioral health services, ambulatory access points, and a larger clinical workforce.

WakeMed is not able to fund — through reserves or financing — all of the growth needs in services and facilities necessary to meet expanding community needs while dealing with rising supply, labor and pharmaceutical costs. Over the past decade, WakeMed invested \$1.04 billion in capital projects. Over the next decade, that need is expected to more than double to \$2.15 billion — far exceeding WakeMed's current debt capacity of \$350 million to \$400 million. Despite "healthy" margins on paper, WakeMed does not have sufficient cash on hand nor the debt capacity needed to meet these growing capital demands.

WakeMed's payer mix adds to future financial vulnerability. With nearly 60% of its revenue coming from government payers, WakeMed is particularly exposed to policy shifts and reimbursement changes at the state and federal levels. It is possible that 250,000 North Carolinians could be removed from Medicaid eligibility in the next year because of changes made at the federal level. These cuts have the potential to severely strain safety net hospitals like WakeMed that care for a disproportionate share of the community's underserved. Additionally, ongoing claims denials, payment delays, and red tape from insurance companies are adding to the financial pressure and making payments less stable and predictable.

A larger system like Atrium Health can provide the scale and long-term capital WakeMed needs now to protect access and stability for the community.

WakeMed has a proud history of collaborating with others, including Atrium Health. But what it takes to care for this community going forward is bigger and more complex than those types of arrangements can reliably support.

It requires sustained investment over time, not just one-time support. It requires fully connected clinical programs, from mental health to complex care to virtual care, so patients can move seamlessly through the system. It requires attracting and keeping a large, highly-skilled workforce in an increasingly competitive environment. And it requires the kind of operational strength and consistency that comes with being part of a larger integrated system.

Looser affiliations simply are not designed to deliver that value. They often lack the long-term investment, shared accountability, and ability to coordinate care, services, and workforce at the scale this community needs. That is why a true strategic combination matters.

With the right structure, and clear, enforceable protections for the community, it ensures both long-term investment and long-term accountability. It creates the stability needed to protect access, while also giving WakeMed the ability to grow and evolve to meet the needs of Wake County for years to come, protecting its mission for the future. Put simply, this structure preserves more of what the community values about WakeMed – culture, commitment to the local community, and care for the underserved.

28. What would WakeMed gain access to through Atrium that it cannot reasonably achieve independently while remaining locally controlled?

Simply put, this combination gives WakeMed the resources to keep pace with how fast Wake County is growing. It will provide a level of investment, scale and support that would be difficult for WakeMed to achieve on its own, especially in the timeframe the community needs.

It includes a planned \$2 billion investment over the next 10 years to expand and modernize facilities, strengthen mental health services, grow virtual care and support the recruitment and development of a larger healthcare workforce. Just as important, it brings the operational capacity and long-term resources needed to keep up with rapid population growth and rising demand for care. Without that level of support, WakeMed would likely have to delay or scale back some of these investments over time. This combination allows those improvements to move forward more quickly, to meet pressing needs and at the scale the community requires.

29. How would this arrangement affect future investments in Wake County hospitals, clinics, behavioral health infrastructure, and community-based care?

This combination will significantly expand investment in WakeMed and across Wake County through a planned \$2 billion commitment over the next decade. Key areas of investment include:

- **Modernize and expand the flagship Raleigh campus.** Major facility modernization and bed/capacity expansion to serve projected population growth and rising acuity, including upgrades that improve patient flow, safety, and efficiency.

- **Expand Cary and North campuses and support the Garner Whole Health Campus.** Targeted expansion and modernization of existing sites to increase local access and reduce pressure on emergency departments and inpatient capacity.
- **Build new Healthplex sites with emergency and outpatient services.** New access points that combine emergency care and high-demand outpatient services to bring care closer to where people live and to relieve overcrowding at hospital-based sites.
- **Expand behavioral health capacity and network.** Investment to build and integrate what the organizations intend to be North Carolina's largest nonprofit behavioral health network, including more than 360 inpatient behavioral health beds plus expanded outpatient access, care coordination, and related supports.
- **Strengthen and scale virtual care.** Investment in a statewide 24/7 virtual care network to expand access, improve continuity, and reduce avoidable emergency room visits.
- **Support workforce and operating capabilities.** Investments in recruitment, retention, training, and the operational infrastructure needed to sustain expanded services and improve care coordination across sites, including technology and process improvements that support quality and efficiency.
- **Protect and strengthen core community services.** The investment plan is designed to preserve and strengthen essential WakeMed services — including trauma, children's services, and key hospital and emergency capabilities — while expanding capacity to keep pace with community need.

30. Would this partnership impact healthcare affordability, insurance negotiations, medical debt burdens, or out-of-pocket costs for residents?

This combination will immediately improve affordability and access to care — particularly in underserved communities such as in Southeast Raleigh and our neighboring rural communities. It's also important to note that research shows that system integration can improve outcomes, increase efficiency, and expand access. Several articles and studies have been posted on the microsite about this combination (<https://www.wakemed.org/atrium-health-and-wakemed-announce-planned-strategic-combination>) sharing the positive benefits combinations can provide.

The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

As part of a larger healthcare system, WakeMed will be able to ensure lower costs for supplies and materials, which will hold down patients' costs. Since Advocate Health was formed through the combination of Atrium Health

and Advocate Aurora Health, the organization has achieved more than \$1.5 billion in efficiency savings — gains that support affordability rather than undermine it.

The best way for a family, a business, an organization, and a society to reduce healthcare costs is to avoid sickness and promote good health. That's why WakeMed will make it easier for all patients to get preventive care and help with the factors that drive poor health outcomes (e.g., healthy food, housing, transportation, medications and personal safety).

31. How would WakeMed's public assets, taxpayer-supported investments, and community resources be protected under any agreement?

WakeMed will remain a nonprofit, charitable, community-focused health system. The definitive agreements for the transaction will preserve WakeMed's charitable purposes, commitments to serve patients regardless of ability to pay, and obligations to support community health needs in Wake County.

The WakeMed directors appointed by Wake County will have the authority, on behalf of WakeMed, to implement WakeMed's contractual obligations to Wake County and to enforce Atrium Health's obligations, including with respect to Atrium Health's \$2 billion capital commitment to WakeMed.

32. What safeguards exist to ensure that profits or revenues generated in Wake County continue being reinvested into local healthcare needs?

WakeMed will stay devoted to this community and continue to operate as a nonprofit organization — which means its resources must be used to support patient care and community health — not distributed as profits to shareholders. Revenue generated by WakeMed will continue to be reinvested in services, facilities and programs that benefit the local community. Local governance is a key safeguard. The WakeMed board of directors has a duty to act in the best interest of WakeMed and ensure that resources are used appropriately.

The agreement also includes a binding \$2 billion investment in WakeMed, reinforcing a long-term commitment to expanding and strengthening care in Wake County.

Competition, Consolidation & Market Power

33. How could this combination affect healthcare competition, pricing power, and consumer choice across the Triangle region?

Patients will continue to have choices on where they receive care. The Triangle is already one of the most competitive regions in North Carolina for healthcare, and that will not change.

This combination will enhance competition by facilitating investments in WakeMed, ensuring it remains a strong, independent provider in a rapidly growing region with increasing demand for services.

Being part of a larger system can help WakeMed address cost pressures. It creates opportunities to improve efficiency and negotiate better prices for medications, medical devices and supplies, which can help manage the overall cost of delivering care.

As Wake County continues to grow, maintaining multiple strong health systems is important to supporting access, choice and high-quality care for the community.

34. What independent analysis has been conducted regarding the impact of healthcare consolidation on affordability and patient outcomes?

The analysis on consolidation and market impact is ultimately handled by the Federal Trade Commission. WakeMed is aware of several independent articles about this combination and studies sharing the positive benefits combinations can provide, which have been posted on the microsite for this combination:

<https://www.wakemed.org/atrium-health-and-wakemed-announce-planned-strategic-combination>.

The combination with Atrium Health will maintain the three strong healthcare systems in Wake County that exist today, while improving care coordination, and creating efficiencies that support access and value. Since Atrium Health and Advocate Aurora came together to form Advocate Health, the system has achieved more than \$1.5 billion in synergy savings, which reflects improved efficiency and coordination, not higher costs. Those kinds of efficiencies can be reinvested into care, access, and community needs.

Most importantly, this combination is focused on improving access to care. When access improves, patient outcomes improve. Access allows for earlier intervention, better management of chronic conditions, and stronger support for communities with the greatest health needs.

35. How would WakeMed maintain its identity and public-serving mission within an increasingly consolidated healthcare market?

WakeMed will remain a locally focused and operated organization committed to the mission on which it was founded more than 65 years ago. This commitment is embedded in the organization's DNA and will not change. It also aligns closely with Atrium Health's mission and values.

WakeMed will remain fully committed to serving the public and intends to expand that mission through additional programs and services tailored to community needs. Importantly, this combination will not increase consolidation in Wake County. Instead, it will preserve choice and maintain the competition between three strong healthcare systems that exist today.

36. What protections exist to prevent excessive concentration of healthcare power in a small number of large systems?

The Triangle is already one of the most competitive regions in North Carolina for healthcare with three strong providers, and that will not change. Patients will continue to have choices about where they receive care and healthcare workers will continue to have a choice about where they work.

This combination will enhance competition by facilitating investments in WakeMed and ensuring it remains a strong, independent provider in a rapidly growing region with increasing demand for services.

Being part of a larger system can help WakeMed address cost pressures. It creates opportunities to improve efficiency and negotiate better prices for medications, medical devices and supplies, which can help manage the overall cost of delivering care.

As Wake County continues to grow, maintaining multiple strong health systems is important to supporting access, choice and high-quality care for the community.

Several articles and studies have been posted on the microsite dedicated to the combination:

<https://www.wakemed.org/atrium-health-and-wakemed-announce-planned-strategic-combination>.

Most importantly, this combination is focused on improving access to care. When access improves, patient outcomes improve. Access allows for earlier intervention, better management of chronic conditions, and stronger support for communities with the greatest health needs.

Long-Term Vision & Community Impact

37. What specific problem is this partnership intended to solve five, ten, or twenty years from now?

The goal of this combination is straightforward — to ensure WakeMed grows with the community, not behind it, so access to high-quality care is protected for the long term.

Wake County is growing rapidly, and meeting future demand will require significant investment in facilities, services and workforce. This combination provides the capital and resources needed to make those investments at the scale and speed the community requires.

On its own, WakeMed does not have the financial capacity, through reserves or borrowing, to fully fund that growth.

Without this type of investment, it would become harder for WakeMed to keep pace with demand, which could impact access to care and strain its ability to fulfill its mission of serving all patients.

38. What risks has WakeMed identified if no strategic combination occurs, and how do those risks compare to the risks of consolidation?

Without this combination, the risks are real, and they are growing – especially as WakeMed looks to a future with much larger competitors with more resources. Over time, the community could face tighter capacity, delays in updating life-saving technology and facilities, and increasing workforce shortages that make it harder for people to get care when and where they need it.

WakeMed's longstanding history of providing care for all has never wavered, but it continues to have a significant impact on financial performance. In FY 2025 alone, WakeMed's actual non-reimbursed cost to provide charity care to Wake County residents (75.6% of its patient population) equaled 12.61% of its total net operating revenue. This is far above the 4.8% requirement set forth by the 1997 Transfer Agreement and reflects WakeMed's

commitment and dedication to caring for all. A strategic combination with Atrium Health will provide capital to bring new facilities and services to Wake County, which will increase access to care and further improve the ability to serve indigent and underserved community members.

In the next few years, WakeMed's debt capacity of \$350 million to \$400 million has been earmarked for completing the Garner Whole Health Campus. The reduced cash position and limited debt capacity puts other critical projects at risk. Without additional resources, WakeMed may be forced to delay or scale back essential investments, including redevelopment and bed expansion of the aging Raleigh Campus in Southeast Raleigh (home to Wake County's only Level 1 Trauma Center), expansion at Cary and North Hospitals, and construction of two new Healthplex locations in Fuquay-Varina and Rolesville.

Each of these projects is vital to meet the needs of the rapidly growing community and remain competitive in Wake County. The Raleigh Campus projects alone, which are vital to maintaining the quality of care delivered on WakeMed's flagship campus, will cost nearly \$1 billion. While critical to serving the community and Southeast Raleigh, this work is not expected to generate significant new revenue, which makes it less attractive to prospective funding sources.

Importantly, this combination will not increase consolidation in Wake County. Instead, it will preserve choice and maintain the competition between three strong health systems that exist today.

39. What would success look like specifically for Wake County residents — not just for institutional growth metrics?

Simply put, success looks like a healthier community across Wake County.

It means people can get care when and where they need it, from primary care to specialty services, including mental health and complex care, without long waits or unnecessary barriers. It means care is better coordinated, so patients move more easily through the system and experience better outcomes.

Success also means expanding access — more convenient locations, stronger virtual care and increased capacity so the healthcare system can keep up with a growing population.

It also includes new job opportunities, with more than 3,300 additional healthcare roles, and the ability to attract and retain skilled, compassionate caregivers.

Most importantly, success means a system that is reliable, responsive and focused on the needs of the community — with the resources to continue improving care over time.

40. If this partnership moves forward, what commitments is WakeMed willing to put in writing regarding affordability, access, labor protections, equity, transparency, and local governance?

As outlined throughout this document, this combination includes very real commitments related to affordability, access to care, equity, transparency and local governance. These include maintaining services regardless of a patient's ability to pay, expanding financial assistance, continuing open meetings and public reporting, and preserving local governance through a Wake County-appointed majority board.

On workforce matters, employees will not lose their jobs as a result of the closing of this transaction. The focus is on growth, with plans to expand services and create new jobs across the system.

This combination builds on the strength of an already high-performing organization. The goal is to accelerate that momentum by investing in services, expanding access and growing the workforce, creating a cycle where increased capacity supports better care, more opportunities for employees and stronger outcomes for the community.

41. How will WakeMed measure whether this arrangement actually improves healthcare outcomes for the people most vulnerable to being left behind?

WakeMed will continue to provide annual audits, Community Benefit reports, and regular documentation to the Wake County Board of Commissioners, including its commitment to provide at least 4.8% charity care for Wake County residents.

WakeMed also focuses on clinical excellence and outcomes by tracking and working to improve mortality rates while closing health gaps and disparities among zip codes throughout the community.

Atrium Health also reports its community benefit publicly each year, which in 2024 was \$2.6 billion in North Carolina. And through the Advocate Health National Center for Clinical and Community Impact, the system tracks outcomes specifically for underserved populations, identifies where gaps persist, and directs resources to close them.

In addition to financial transparency, there are well-established, publicly available quality measures. For example, Leapfrog Hospital Safety Grades, which are reported nationally and fully transparent, show that both systems perform at a high level. Atrium Health has earned more “A” safety grades than any other health system in North Carolina, and WakeMed’s hospitals also received “A” ratings, including multiple “Straight A” designations for sustained excellence in patient safety.

Together, these financial and quality reporting measures allow the public to clearly see how care is delivered, how resources are invested, and how both organizations are performing over time, ensuring a high level of transparency and ongoing accountability to the community.

Closing Accountability Questions

42. At the end of the day, what guarantees can you make to the people of Wake County that this decision will strengthen — not weaken — healthcare access, affordability, labor stability, democratic accountability, equity, and public trust for the communities that rely on WakeMed the most?

WakeMed’s commitment to the community is not changing. WakeMed’s patients will be able to place the same trust in its hometown provider as they have for 65 years. The core purpose of this combination is to expand and enhance healthcare services for the community, faster than WakeMed could do alone. The community — in particular, those who have faced barriers to care and access — will benefit from WakeMed’s ability to:

- rebuild, modernize and expand the Raleigh Campus

- increase charity care and enhance the financial assistance policy
- expand mental health services
- construct two new Healthplex locations offering stand-alone emergency departments
- enhance virtual care services
- bring new specialty and sub-specialty services closer to home, in areas such as cancer care, neurosciences and pediatric specialties
- expand local access to clinical trials through the Advocate Health National Center for Clinical Trials — one of the nation’s largest provider-led clinical trials networks
- work with community partners to meet community health needs, especially for underserved populations

Atrium Health has committed to making a significant, critical financial and clinical investment in Wake County. It has a longstanding history of successful combination agreements, including the recent combination with Wake Forest Baptist — which helped fund significant capital investments on the Wake Forest Baptist’s flagship campus, including new ICU and emergency department beds and operating rooms, plus the addition of new outpatient surgery centers, clinical, specialty and support services throughout Wake Forest Baptist’s region.

The planned \$2 billion investment is only the beginning; WakeMed will continue to work with community leaders and partners to address evolving needs.

These commitments are not just statements of intent. If WakeMed fails to meet its obligations to provide community-based, non-discriminatory care, ownership of its hospital facilities would return to Wake County.

This approach is designed to do one thing: ensure WakeMed can continue to serve the community with high-quality, accessible and equitable care for decades to come.

Commissioner Tara Waters

Commitments to Underserved Communities & Health Equity

43. How does Atrium Health define “underserved communities” within Wake County, including specific geographic areas, demographic populations, and health indicators?

Atrium defines “underserved” very simply: anyone, rural or urban, whose health needs are not being met.

As the largest provider of community benefit in the state, Atrium Health’s commitment to the communities it serves shows up in real investments and impact.

On affordable housing, Atrium Health has long recognized that housing is an essential part of a person’s health and wellbeing. Over the course of the last decade, Atrium Health has invested approximately \$51 million in affordable housing initiatives that strengthen community health, including supportive housing programs, virtual health clinics and millions of dollars in preservation and development efforts. All of Atrium Health’s investments into affordable housing reflect its belief that health begins at home and that stable housing is critical to building healthier communities. A complete timeline showcasing Atrium’s history of investing in affordable housing can be

found here: <https://atriumhealth.org/about-us/affordablehousing>, which includes Atrium’s most recent announcement, where it fulfilled its promise to contribute property valued at nearly \$30 million to support the development of affordable housing by Charlotte’s public housing authority.

On food and nutrition, Atrium Health treats food as an essential part of care. Its “Food as Medicine” programs have delivered tens of thousands of pounds of food, including one effort that provided over 29,000 pounds in a single year to more than 1,800 people facing food insecurity.

Atrium Health also partners with schools and communities to meet families where they are, bringing care directly into over 400 schools through virtual care, so parents do not have to miss work and children can be seen quickly, often the same day, without leaving campus.

In care delivery, Atrium’s model is designed to reach people early. Mental health is embedded into primary care, so patients can get help before issues escalate, and services are expanding across both urban neighborhoods and rural communities, supported by dedicated mental health facilities and expanded access points.

Plus, in rural North Carolina, Atrium Health invested \$100 million into Hugh Chatham, a hospital under significant financial pressure and at risk over time. That investment is helping to keep care local, recruit providers and ensure the community does not lose access to essential services.

All of this reflects a different approach: not waiting for people to come to the system, but going to them, investing in their communities and removing the barriers that stand in the way of care. This same approach will be brought to Wake County, ensuring that as this community grows, access to care grows with it, especially for those who need it most.

44. What measurable commitments will the merged entity make to improve healthcare access, health outcomes, and preventive care for underserved communities in Wake County?

WakeMed and Atrium Health have long served as safety-net providers in each community they serve. All planned investments and services will not just continue to support underserved residents in Wake County, but are designed to increase access to care. This includes, but is not limited to, continuing WakeMed’s existing charity care commitment (at least 4.8% of operating revenue of all Wake County residents). The Center for Community Health will continue providing trauma-informed care for vulnerable populations, including individuals experiencing homelessness. Community-based “Street Medicine” programs will extend care directly to patients wherever they are. Atrium’s scale, resources, and experience addressing health equity and disparities will further benefit Wake County communities.

Additionally, Atrium Health’s commitments include a \$2 billion investment in Wake County over the next decade, expansion of financial assistance eligibility from 300% to 400% of the federal poverty level, more than 360 inpatient mental health beds across the state, and more than 3,300 new jobs over the next five years.

Beyond just clinical care, Atrium Health and the broader system of Advocate Health screened more than 2.4 million patients for social drivers of health across its footprint last year alone, and connected tens of thousands of patients with needed services in their communities such as food, transportation and housing. These robust

capabilities for treating patients' needs both inside and outside of healthcare walls are part of the combined commitment to ensure needs of the most underserved communities are met.

Overall, this approach reflects a proactive model of care — bringing services directly to vulnerable communities, investing locally, and removing barriers to access, as well as focusing on health improvements versus health care delivery.

45. What specific investments are planned for rural and outlying areas of Wake County?

Atrium Health is a national leader in rural care and boasts a number of leading-edge practices in rural care. More can be learned about Atrium's commitment to rural care by reviewing this report linked here:

<https://www.advocatehealth.org/news/advocate-healths-unwavering-commitment-to-rural-community-health-care>.

In addition, a number of expansions are planned:

Rural and Outlying Areas of Wake County

WakeMed is expanding access to care in growing areas across the county. This includes a new Healthplex in Fuquay-Varina with a 24/7 standalone emergency department, lab and imaging services. A similar Healthplex is planned for Rolesville. A new medical office building is planned in Wendell, next to the existing emergency department. These investments bring care closer to where people live, supported by expanded virtual care to reduce transportation barriers.

Behavioral Health

WakeMed is continuing development of the Garner Whole Health Campus, which will include a 150-bed mental health and well-being hospital. Outpatient behavioral health services, including virtual care, will continue to expand. Partnerships through the Network for Advancing Behavioral Health will increase access to services such as addiction treatment and care coordination. Mental health services will remain integrated into primary care to support earlier intervention.

Maternal Health

WakeMed will continue to care for high-risk mothers at its Raleigh campus and is expanding its team of physicians, midwives and advanced practice providers to meet growing demand. Maternal-fetal medicine services will continue to grow. Cary Hospital will expand its neonatal intensive care unit to a private-room model. Pre- and post-natal care for Wake County Health Department patients will continue.

Respite Care

WakeMed recently launched a respite care program at the Women's Center in downtown Raleigh. Early results are positive, and the program is expected to expand.

Primary Care Access

WakeMed continues to add primary care providers across the County, with a goal of improving access close to where residents live. Expanded virtual care will also make it easier for patients to connect with providers.

Transportation Barriers

Investments in virtual care and more distributed care sites will reduce transportation challenges. Community

health programs will continue to help connect residents to care and address broader needs such as transportation.

Uninsured and Underinsured Residents

WakeMed and Atrium Health will continue their roles as safety-net providers. Investments will expand access to care for uninsured and underinsured patients, supported by financial assistance programs and community-based services. The Center for Community Health and Street Medicine programs will continue to deliver care directly to vulnerable populations, including those experiencing homelessness.

Overall, these investments are designed to expand access, bring care closer to communities, and reduce barriers for patients across Wake County. As the County grows, access to care will grow alongside it.

46. What accountability measures, benchmarks, and public reporting mechanisms will be established so residents and local governments can track whether commitments to underserved communities are fulfilled over time?

This question has been answered above. In short, WakeMed will continue independent annual audits, public community benefit reports, open board meetings and regular reporting to the Wake County Board of Commissioners — with a Wake County appointed board majority responsible for holding both organizations to their commitments.

47. Will these commitments be incorporated into binding agreements, bylaws, or other enforceable governance documents?

Please also see the response to question 11. In short, the commitments are reflected in the transaction documents including the amended Transfer Agreement — with the hospital facilities reverting to Wake County if WakeMed stops operating as a community hospital open to all. Atrium Health cannot unilaterally dispose of WakeMed without Community Director approval.

Governance & Wake County Representation

48. What safeguards will exist to protect existing WakeMed community commitments, including funding for Wake County-based nonprofit partnerships and facilities in outlying areas?

As shared in previous answers, WakeMed's commitment to community partnerships and local investment will continue.

WakeMed will remain a nonprofit organization, and its existing relationships with Wake County-based nonprofits and community partners are not planned to change. These partnerships and services are part of WakeMed's mission and are expected to continue.

The structure of this combination is specifically designed to preserve those commitments, including maintaining services and facilities in outlying areas.

Atrium Health also has a strong track record of investing in underserved and rural communities, as demonstrated by recently bringing Hugh Chatham Health in Elkin, NC, into the Atrium Health family. Combined with its capital commitment, these resources will support and expand ongoing efforts, particularly in areas of greatest need.

49. How will Wake County stakeholders—including local governments, community organizations, physicians, and nonprofit partners—be included in major decisions affecting Wake County priorities?

This question has been answered above. In short, Wake County stays at the table through a county-appointed board majority, ongoing Community Health Needs Assessments with local partners, and continued engagement with physicians, nonprofits and community organizations.

50. What role will the WakeMed Foundation play post-merger, and how will local community priorities continue to shape funding decisions?

The WakeMed Foundation will remain as an independent, non-profit organization unaffected by the proposed transaction and will continue to support WakeMed and its patients and employees. Nothing will change for the donations that have been given or pledged to the WakeMed Foundation, and all donations made to the Foundation in support of WakeMed will stay local and will continue to be used towards the purposes for which they were intended.

51. Will governance be structured to ensure balanced representation and prevent decision-making deadlocks?

The governance structure is designed to ensure strong local representation and clear decision-making authority. WakeMed will remain a nonprofit with a 14-member board of directors. A majority of the board, eight members, must be Wake County residents, appointed by the Wake County Board of Commissioners. This ensures decisions remain grounded in the community.

The WakeMed board will continue to govern WakeMed and play a central role in major decisions. At the same time, the shared governance structure defines how decisions are made in coordination with Atrium Health, helping provide clarity and avoid decision-making gridlock.

This approach balances local governance with the benefits of broader system alignment, while maintaining accountability to the community.

Funding Priorities & Community Investment

52. How will the merged entity ensure that funding priorities remain responsive to needs identified by Wake County communities rather than shifting solely to system-wide priorities?

What gets funded will be guided by what Wake County actually needs. WakeMed will continue to operate as a nonprofit organization, with a local board of directors that has a fiduciary duty to act in the best interest of WakeMed and the community it serves.

The agreement also includes a binding \$2 billion investment in WakeMed, aligned with the organization's strategic plan and the specific needs identified in Wake County.

Importantly, revenues generated by WakeMed will support local care, services and community priorities.

53. What commitments will be made to preserve and strengthen existing WakeMed partnerships with local nonprofits, agencies, and community-based programs?

WakeMed's partnerships with local organizations will continue. The combination does not change WakeMed's relationships with local nonprofits, community health organizations, or the agencies it works with to address social drivers of health. WakeMed will continue to 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, as well as other initiatives for the benefit of the community.

This includes, but is not limited to, expanding efforts to address social drivers of health and connect patients to appropriate community resources, drawing on the WakeMed Center for Community Health model of trauma-informed care and community health management to improve access for the most vulnerable populations, and working with community partners to strengthen transitional housing support to address housing needs.

Commitments include multi-year investments in Alliance Medical Ministries, Debnam Clinic, Urban Ministries, Right Care, Healing Transitions, among others — all of which are safety net organizations caring for the most vulnerable populations.

54. How will the public be assured that future funding decisions will include community input and transparency?

WakeMed and Atrium Health both follow established processes for assessing community health needs and aligning investments accordingly. WakeMed conducts regular Community Health Needs Assessments in partnership with Wake County and local organizations.

These assessments guide priorities such as mental health, capacity, and access. Implementation plans and outcomes are publicly reported and will continue unchanged.

WakeMed's Board of Directors — majority appointed by Wake County — ensures strong local governance, accountability, and transparency.

WakeMed will continue providing annual audits, Community Benefit reports, and regular updates to the Wake County Board of Commissioners. It also maintains a commitment to providing at least 4.8% in charity care for county residents.

Atrium Health similarly reports its community benefit annually, totaling \$2.6 billion in North Carolina in 2024.

In addition to financial transparency, both organizations meet high standards in publicly reported quality metrics. Leapfrog Hospital Safety Grades show both systems perform at a high level, with Atrium earning more “A” grades than any system in North Carolina and WakeMed earning multiple “Straight A” designations.

Together, these measures ensure transparency and accountability in both care delivery and resource allocation.

55. Have lessons from other healthcare mergers—such as governance and funding changes following the New Hanover transaction—been evaluated, and what safeguards are being adopted to avoid unintended reductions in local community influence?

WakeMed and Atrium Health have been very intentional about learning from past transactions in North Carolina where communities felt they did not have an adequate voice. This combination was designed the opposite way. WakeMed remains locally governed, accountable and rooted in Wake County. This isn't a transfer of control — it's a strengthening of what already works, with more capability behind it.

Key safeguards include:

- Majority local representation on the governing board
- Preservation of WakeMed's mission and identity
- Continued operation under WakeMed licenses and medical staff
- Continued transparency requirements
- Expanded financial assistance commitments
- A reversionary clause returning control to Wake County if obligations are not met

This proposed transaction will be a nonprofit-to-nonprofit membership addition agreement, which is not a sale. WakeMed will remain a locally governed nonprofit, with Wake County-appointed directors continuing to hold majority representation. Operations will continue under WakeMed licenses and medical staff. The closest comparable transaction in North Carolina is the Atrium Health and Wake Forest Baptist combination in 2020.

Since that combination, Atrium Health Wake Forest Baptist has had six credit-rating upgrades from Moody's, restoring its AA status; created 8,200 new jobs; raised the minimum starting wage to \$18.85; protected and expanded key services at rural sites; and built leading-edge new healthcare facilities across the Winston-Salem area.

In the words of Atrium Health Wake Forest Baptist and Winston-Salem leaders who wanted to share their experience with Wake County: "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."

Physician Independence & Access to Care

56. How will the merger protect the ability of physicians to practice independently and advocate for patient care without undue system control?

Doctors will be able to keep their focus on what's best for each patient. Physicians and APPs, or Advanced Practice Providers, such as nurse practitioners and physician assistants, will continue to have a strong voice and autonomy in their daily practice, as healthcare delivery is local and at the bedside.

As they do today, providers will continue to make the care decisions which are in the best interest of their patients. WakeMed will continue to operate under its own licenses and medical staff, which supports continued local clinical accountability. The WakeMed Board of Directors will retain responsibility for credentialing and medical staff appointments as they do now.

This strategic combination will bring opportunities for clinicians to discover and share evidence-based best practices and data-informed learnings. This sharing of information and best practices will go both ways, so both organizations learn from one another.

57. What assurances exist that no single entity within the merged system will unfairly limit physician participation, referrals, admitting privileges, or clinical decision-making?

Independent community physicians will continue to be responsible for the care they provide to patients — just as they are today — preserving both their clinical independence and their direct accountability to the community.

Just as important, this is not simply about preserving independence — it's about strengthening it. Both WakeMed and Atrium Health have open medical staffs and strong traditions of physician leadership. This combination creates new opportunities for physicians to collaborate, share best practices and adopt leading clinical protocols across both organizations.

The result is the best of both worlds: local physician practice of medicine enhanced by access to broader expertise, innovation, and proven approaches that elevate quality and patient outcomes.

58. How will the merged organization maintain patient choice and access across independent and affiliated providers?

Patient choice is a priority and will continue to be preserved with the ability to choose where they go for care.

Wake County will remain competitive with multiple healthcare systems, ensuring residents have meaningful options for where to receive care. This combination is designed to strengthen WakeMed's ability to compete and expand access, not limit it by allowing residents to maintain their choice while also securing services to individuals who may not have a choice.

Investments in new access points, including new Healthplex locations and expanded virtual care, will give patients more options and make it easier to get care when and where they need it.

WakeMed's continued commitment to serving all patients regardless of ability to pay also ensures that financial barriers do not limit access or choice, particularly for the most vulnerable members of the community.

Patient Financial Policies & Affordability

59. What charity care, debt relief, and financial assistance policies will apply to uninsured and underinsured patients after the merger?

For an uninsured family, this means simpler, more generous financial assistance.

The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

60. Will there be commitments to maintain or expand current WakeMed financial assistance policies?

WakeMed will expand its financial assistance program to reach more patients, not narrow it.

The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

61. How will the merged entity ensure equitable access to care regardless of a patient's ability to pay?

Beyond answers provided in previous question, it's important to note that at both WakeMed and Atrium Health, care is never denied based on a patient's ability to pay. The focus will remain on ensuring patients receive the care they need, with support in place to make it more affordable. In 2025 alone, nearly 100,000 Atrium Health patients who were screened for financial assistance never received a bill.

It is also important to note that in 2024, Atrium Health, as part of Advocate Health, addressed the disparities that existed in its financial assistance policies across all of the communities served in eight states. The result was the introduction of a single, simple to access policy, which made seven affordability commitments:

1. To provide access to financial assistance for our healthcare services to patients who earn **up to three times the federal poverty level**.

2. To offer patients a **clear and user-friendly process** to qualify for financial assistance.
3. To include essential care patients need in our **financial assistance program**.
4. To **never deny care** to patients because of an outstanding bill.
5. To **personalize payment plans** to fit each specific situation in partnership with the patient.
6. To **notify patients multiple times** regarding an outstanding account balance.
7. To **advocate for better health insurance** that will help patients avoid unnecessary costs and insurance denials of care.

62. What protections will exist against aggressive medical debt collection practices?

WakeMed and Atrium Health already have strong protections in place, and those will not change.

Neither organization uses aggressive collection practices. This includes not placing liens on homes, not using extreme collection tactics, and not reporting medical debt in ways that harm patients' credit.

Both organizations also focus on financial assistance first, helping patients understand their options and qualify for free or discounted care before any billing actions are taken.

In addition, WakeMed and Atrium Health participate in North Carolina's medical debt relief efforts, which have helped reduce or eliminate debt for many patients.

Most importantly, care is never denied based on a patient's ability to pay. The focus remains on ensuring patients receive the care they need, with support in place to make it more affordable. In 2025 alone, nearly 100,000 Atrium Health patients who were screened for financial assistance never received a bill.

Board Ethics, Transparency & Accountability

63. Specifically, will individuals directly involved in approving the merger be temporarily restricted from board appointments to avoid actual or perceived conflicts of interest?

There are no conflicts with current WakeMed Board members related to this transaction, and so current board members will not be restricted from board appointments. All WakeMed Board members must comply with WakeMed's Conflict of Interest policy to avoid actual or perceived conflicts.

64. How will board appointments, transitions, and governance decisions remain transparent and accountable to the public?

WakeMed will continue to operate under open meetings requirements under North Carolina law, ensuring transparency in board deliberations.

The organization will also continue its existing reporting practices and provide regular updates to Wake County, maintaining public accountability for governance decisions as WakeMed has for the last 30 years.

65. Will board meetings, reporting, and community engagement processes include meaningful opportunities for public input?

The public keeps a seat and a clear line of sight into how decisions are made. Board meetings will continue to be open to the public, unless it is a confidential matter to be held in closed session. In addition, a majority of WakeMed board members are appointed by Wake County and represent the community's interests.

This structure ensures the public continues to have a voice and visibility into how decisions are made.

Comparison to Alternative Proposals, Including UNC Health

66. What objective criteria were used to evaluate partnership or acquisition proposals, including any proposal from UNC Health?

This was not a quick decision; it followed years of careful evaluation focused on protecting what matters most to this community. The WakeMed Board of Directors Executive Committee and a task force spent more than two years examining options for small independent health systems — aided by an industry expert working with non-profit organizations. The evaluation focused on:

- Mission alignment
- Commitment to care for all – demonstrated, not just stated
- Cultural match – patients, families, community and 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

WakeMed received strong feedback from community and statewide leaders that more healthcare competition, not less, was critically important.

A combined UNC and WakeMed would reduce the number of health systems in Wake County from three to two, with UNC controlling 80% of Wake County's inpatient discharges and reducing community choice for patients, providers and employees. It is also important to note that despite some of the misleading media articles, UNC communicated that \$5 billion was being invested into its Wake County operations — and included surrounding areas outside of Wake County — with only \$2.5 billion of the \$5 billion designated to purchase WakeMed. It is also unclear how much of UNC's offer would involve use of taxpayer dollars given UNC's status as a state entity.

67. How did the Atrium proposal compare to alternatives in the following areas: preservation of local governance, commitments to underserved communities, financial investment, physician independence, workforce protections, charity care policies, and long-term local control?

Atrium Health was the best fit because it matched what matters most to WakeMed: local voice and care for all. Atrium Health is aligned most closely with WakeMed's priorities, particularly in preserving local governance, supporting underserved communities and providing meaningful long-term investment.

The structure maintains WakeMed as a locally governed nonprofit, while also delivering significant capital investment and operational support to meet future demand.

Independent analysis confirmed the proposal was competitive and consistent with market standards. Combined with strong cultural alignment and a shared commitment to serving all patients, this made Atrium Health the best fit among the options considered.

Technology, Medical Records & Patient Access

68. What electronic medical record (EMR) platform will the merged entity use, and what changes can patients expect regarding systems such as MyChart and other patient portals?

Both WakeMed and Atrium Health use Epic and MyChart, which means patients will continue using the same system with no expected disruption. The same systems also create opportunities for better coordination of care across providers and fewer gaps when patients move between care settings.

69. How will the merger ensure uninterrupted patient access to medical records, appointment scheduling, prescription management, billing information, and communication with providers during and after any technology transition?

There will be no disruption to patient access to medical records, scheduling, prescriptions, billing or communication with providers.

Any future technology changes will be carefully planned to ensure a smooth transition and minimize impact on patients, families and care teams.

70. Will patients continue to have free and timely access to their medical records and health information across the combined system?

Yes. This will not change.

Commissioner Vickie Adamson

71. Answer all of the questions in the OpEd by Kody Kinsley and Mandy Cohen published in the Raleigh News and Observer, the letter sent by the State Auditor and State Treasurer.

[Response to Questions in Op-ed by Kody Kinsley and Mandy Cohen](#)

In their op-ed, Cohen and Kinsley wrote:

“We recognize that WakeMed faces real pressures. Federal Medicaid and Affordable Care Act cuts in the recently enacted law passed by Congress will hit smaller systems hardest. The \$2 billion investment Atrium has pledged is significant. And WakeMed has operated for 65 years as a beacon of community health in this region. The leaders at both institutions are people of good faith.

“But good faith is not a substitute for binding commitments and deeper public engagement. Before any vote proceeds, commissioners and other state officials should demand clear answers, on behalf of North Carolinians, to the following questions” - regarding affordability, access and safety net services, governance, community benefit and transparency.

WakeMed is making binding commitments to the County. WakeMed and Atrium Health did so in the presentation to the commissioners on June 8 in addition to this documentation.

WakeMed’s combination agreement with Atrium Health provides that the Wake County commissioners will continue to appoint a majority of our board members. Those board members, just like current members of the board, will have a legal and fiduciary responsibility to ensure that WakeMed continues to operate as a community safety-net hospital — and to make sure that Atrium Health keeps its commitments.

If the Board members ever conclude that WakeMed and Atrium Health are not meeting these commitments, they are empowered to take remedial action, including reporting to the County commissioners.

Following are answers to the specific questions posed in the op-ed:

Affordability – As stated in the June 8 presentation to the commissioners, WakeMed’s combination with Atrium Health will hold down costs and enhance affordability in five ways:

- Improving the health of individuals and communities by enhancing access, engaging individuals in their care and being transparent about prices.
- Transforming care delivery: better care coordination, decrease care variation, manage chronic illness.
- Reducing administrative waste, particularly insurance claims processing.
- Lowering drug and device costs: As part of a larger system with greater purchasing power, WakeMed and Atrium Health can negotiate lower prices. The combined organization will use more cost-effective generic medications, rewarding suppliers who provide better value for every dollar spent.
- Innovating to improve care: data analytics, predictive modeling, digital access and telehealth.

Through this combination, Wake Med will expand its financial assistance policies. The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

For most people, healthcare costs show up in the price of insurance, not in the cost of the care itself. It's also important to note that neither WakeMed nor Atrium Health control health insurance premiums or what costs insurance companies choose to pass along to patients.

Access and Safety Net Services – WakeMed will continue to provide obstetrics, psychiatric care, pediatric services, and trauma care to uninsured and Medicaid patients at current volumes and locations. Last year, WakeMed delivered over 10,000 babies in Wake County. Advocate Health, including Atrium, delivered over 60,000 babies during the same year throughout the communities they serve.

The New Bern Avenue campus will continue to operate its Level I trauma center and Children's Hospital, the construction of new facilities will increase access for low and middle-income communities, and WakeMed will significantly expand mental healthcare.

As WakeMed has done for 65 years, it will continue to do the right thing for the Wake County community. WakeMed will retain local control under the combination, and the commitment to core safety-net services will result in more locations and additional services.

- WakeMed's Level 1 trauma center is core to the health and safety of the Wake County community. It will continue in that role.
- WakeMed will continue to operate the Children's Hospital and Children's emergency department to serve the children of Wake County — even when the depth and breadth of those services are put at risk with the opening of the NC Children's Hospital being planned by Duke and UNC Health.
- New construction, modernization and expansion of the main campus will increase access for Southeast Raleigh and underserved communities.
- WakeMed's commitment to mental health is demonstrated by the Garner Whole Health Campus and its 150-bed mental health and well-being hospital. Importantly, WakeMed stepped in to run WakeBrook when others walked away.

Governance – The Wake County Board of Commissioners will continue to appoint a majority of WakeMed's Board of Directors. These directors will ensure that WakeMed continues its commitment to the community. By working with six Atrium Health appointed directors, the board will assure mission, cultural and operational alignment between WakeMed and Atrium Health.

The amended Articles of Incorporation will require that:

- WakeMed continues to operate as a 501(c)(3) charitable organization.
- WakeMed maintains its charity care commitment.
- WakeMed continues to operate as a community hospital — and will return to Wake County if it ceases to operate as a community general hospital.

WakeMed will remain accountable to Wake County and the public:

- WakeMed will report annually to the Wake County Commissioners, as it has done since 1997.
- Board meetings will remain open to the public.

- Directors appointed by WakeMed, as representatives of the community, will ensure compliance. As noted above, the directors appointed by the county will have a legal and fiduciary duty to ensure that both WakeMed and Atrium Health operate in the best interests of Wake County.

Community Benefit – The op-ed asked, *“Should this transaction require the creation of an independently governed community health foundation with a mandate to invest in the social drivers of health – food, transportation, and housing – across Wake County? Other hospital mergers in North Carolina have created such trusts.”*

Those foundations were created in other communities because the local hospital was sold to a larger health system and sometimes a for-profit entity. There was no other way to ensure any community benefit from the sale.

The distinction in this combination is that WakeMed is not being sold. WakeMed is combining with another nonprofit entity that shares its values and commitment to care for all regardless of ability to pay.

The very purpose of this combination, as shared in presentations on June 8, is to provide Wake County not only with better, more affordable and accessible healthcare, but also to expand efforts to provide better food, transportation and housing and address other needs that impact health.

As WakeMed CEO Donald Gintzig has stated, what is needed is health care, not just sick care. The best way to hold down healthcare costs is to keep people healthy.

Also, the track record of these foundations is not always positive. In many cases, they have not performed as promised and have not made wise investments in the real needs of the communities involved.

The op-ed also asked, *“What will be the charity care standards and will systems remain in place so that it’s the hospital’s responsibility to automatically enroll all eligible individuals?”*

Through this combination with Atrium Health, charity care will actually get better. The combination will raise charity care standards from 300 to 400% of the federal poverty level. As shared in many ways, a family of four making less than \$99,000 a year will not owe a penny. At Atrium Health already, 90% of patients are automatically pre-screened for charity care and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

Transparency – The op-ed states, *“The transaction was announced on a Friday afternoon and originally slated for a Monday vote. The people of Wake County deserve a full public process before any land rights or governance authority changes hands.”*

WakeMed and Atrium Health agree that transparency and public engagement are essential and have been engaging in an extensive, far-reaching process to explain our plans to the public, answer questions and respond to concerns, as done with the County commissioners on June 8. The commissioners asked, and WakeMed has welcomed any and every opportunity to talk about what this combination can mean for Wake County for decades to come.

As noted at the June 8 work session, WakeMed and Atrium Health presented the proposed combination to the County commissioners in a closed session as early as March of this year. The County was provided with proposed amendments to the Transfer Agreement and Articles of Incorporation. Those discussions were required to be confidential until the agreement was announced and formally presented to the commissioners.

WakeMed has worked closely with Wake County and will continue to do so.

Response to Questions by State Officials and Leaders

Questions concerning costs to state employees, competition, and access and safety-net services are addressed here. Affordability, governance, community benefit and transparency are already addressed above.

Costs to State Employees – Atrium Health and WakeMed understand that the State Health Plan is facing financial difficulties, including large deficits that have built over many years that the current leadership is working diligently to address. It is further important to note that the recent increases in state health plan premiums and what retirees will pay for insurance, preceded our coming together as a system.

WakeMed and Atrium Health believe this combination will create significant efficiencies and enhancements in clinical excellence, and the two organizations would welcome the opportunity to work with State Health Plan leaders on new value-based models that enhance quality, access, and affordability including preventative services and needed care such as in behavioral health.

Competition – This combination will increase competition in Wake County and will hold down cost increases and offer consumers more choices. It is healthy to have three strong healthcare systems — WakeMed/Atrium Health, UNC Health and Duke — that compete *and* collaborate.

Again, WakeMed and Atrium Health stand ready to provide more information to any state officials and their staffs about the plans and the benefits for state employees, teachers and all Wake County residents — post transaction as there are regulatory prohibitions to share information in that regard until after regulatory review. That said, the challenges facing the Plan are clear, and both organizations would welcome the opportunity to collaborate on improving outcomes and managing long-term costs.

Access and Safety-net Services – WakeMed will continue to provide essential services for all patients, including those who are uninsured or on Medicaid. This includes:

- Continued operation of the Level I trauma center in Raleigh
- Continued operation of Children’s Hospital and emergency services
- Continued access to obstetrics, psychiatric care, and pediatric services
- Expansion of mental health services, including the Garner Whole Health Campus
- Investment in new facilities to expand access across Wake County

These services will not only be preserved but expanded to meet the needs of a growing community. WakeMed’s commitment to serving all patients remains unchanged and will be strengthened through additional access points and services.

72. Please explain how the proposed merger or affiliation involving WakeMed and Atrium Health is expected to improve emergency department capacity, patient throughput, and overall emergency room wait times, including any measurable benchmarks, staffing enhancements, operational changes, or capital investments that are anticipated to reduce delays in care.

This combination is designed to improve emergency care access, reduce overcrowding and shorten wait times. Planned investments include expansion and modernization of the Raleigh campus, which will increase capacity and improve patient flow and efficiency. New access points, including two Healthplex locations in Rolesville and Fuquay-Varina with 24/7 emergency departments, will help relieve pressure on hospital-based emergency rooms. These investments are expected to reduce congestion and allow patients to receive care more quickly as demand continues to grow.

73. Additionally, please describe how the proposed transaction will improve community access to primary care services, urgent care access, after-hours care, same-day appointments, behavioral health access, and virtual care options, including telehealth and remote consultation services, particularly for underserved, rural, low-income, and medically vulnerable populations.

Access will be strengthened through expanded outpatient and emergency access points, new Healthplex locations, and increased behavioral health capacity.

The development of a statewide 24/7 virtual care network will improve access to primary care, urgent care, same-day visits and after-hours services, particularly for rural and underserved populations. Investments in workforce and care coordination will also improve scheduling, continuity and overall access to services.

Of note, Atrium Health is a recognized national leader in virtual care, with one of the most advanced and comprehensive platforms in the entire country — spanning primary care, specialty care, behavioral health and hospital-level services delivered in the home.

For more than a decade, Atrium has been a pioneer in this space, building over 30 virtual care programs that expand access, reduce wait times, and improve patient outcomes across urban and rural communities.

These capabilities are already delivering care at meaningful scale:

- More than 125,000 behavioral health integration visits annually
- Over 20,000 community- and school-based virtual visits each year
- Virtual services embedded across hospitals, primary care, emergency departments, and community settings

Atrium Health's Hospital at Home program — one of the largest in the nation — allows patients to receive full hospital-level care in the comfort of their own homes, improving patient experience while reducing the need for inpatient beds. The program has already served thousands of acute care patients and saved tens of thousands of hospital bed days, with continued expansion underway.

Importantly, these programs are not just about convenience — they are helping reach underserved populations, expand access in rural communities and improve outcomes while lowering the total cost of care.

Together, this leadership in virtual care represents a fundamental shift in how care is delivered — bringing high-quality care to patients where they are, rather than requiring patients to come to the system.

74. Please further identify whether the merger is expected to expand the delivery of care outside the traditional hospital setting, including outpatient surgery, ambulatory care centers, hospital-at-home programs, home monitoring technologies, remote patient management, and other community-based or lower-cost care delivery models designed to improve patient outcomes and reduce unnecessary hospital admissions and inpatient stays.

Our focus is on expanding and increasing services to meet the needs of the fast-growing Wake County community. This includes providing more opportunities for patients to access care outside of the traditional hospital setting.

Please see above. Atrium Health has an expansive system of virtual care and one of the largest hospital-at-home programs in the country, allowing patients who would typically be admitted to a hospital to safely receive care at home. This combination will enable WakeMed to grow in its care delivery models based on what has been experienced in other combinations.

75. In addition, please explain how planned technology investments — including telehealth infrastructure, wearable health technologies, artificial intelligence tools, remote monitoring systems, electronic medical record integration, predictive analytics, and other digital health initiatives — will be utilized to improve patient outcomes, reduce hospital utilization, shorten lengths of stay, and enhance continuity of care.

Atrium Health has built one of the nation's most advanced digital health ecosystems, anchored by a decade of investment in telehealth infrastructure and more than 30 virtual care programs that extend across hospitals, homes, schools, and community settings.

Its capabilities integrate hospital-at-home models, virtual nursing and real-time video care with remote monitoring systems that use connected devices — such as wearables, blood pressure cuffs, and pulse oximeters — to continuously track patient health and enable earlier intervention. These tools are tightly linked with electronic medical record platforms, allowing seamless data flow from virtual visits and monitoring devices into a unified clinical record for more informed, coordinated care.

Atrium Health is also a leader in applied artificial intelligence, deploying tools like ambient clinical documentation to automate workflows, reduce administrative burden, and enhance clinician focus on patients — while broader data platform integration supports predictive analytics and advanced data science at scale. Together, these capabilities form a comprehensive digital health strategy that improves access, elevates outcomes, and supports more proactive, personalized care delivery across the larger Advocate Health system, which Atrium Health is part of.

Technology is a key part of the access strategy. Planned investments include a statewide 24/7 virtual care network and broader technology and process improvements that support care coordination, continuity, quality, and efficiency across sites. Atrium Health is currently one of the largest providers of virtual care in the nation, giving patients 24/7 access to clinicians so they can be seen quickly without needing to travel, particularly meaningful for working families, rural communities, and those who might otherwise delay care.

Together, WakeMed and Atrium Health plan to build on existing capabilities with a statewide virtual care network, expanding access and making it easier to connect patients to care, including opportunities to bring proven school-

based telehealth models into Wake County. Additionally, both organizations utilize the Epic platform, widely used across safety-net clinics and physician practices in North Carolina, enabling stronger care coordination through shared information.

As technology continues to evolve, both organizations are already advancing tools that improve outcomes, such as WakeMed's virtual cardiac rehabilitation program and Atrium Health's use of remote monitoring and predictive analytics to enable earlier intervention and reduce hospitalizations, ensuring these capabilities become more accessible to patients across Wake County.

Additionally, WakeMed team members will have access to state-of-the-art clinical training and educational opportunities at The Pearl Innovation District in Charlotte and at Wake Forest University School of Medicine.

76. Finally, please disclose what additional community investments, community benefit commitments, public health initiatives, workforce development programs, preventive care strategies, behavioral health services, housing initiatives, childcare support programs, or other long-term community-focused investments are contemplated as part of the proposed transaction, including any measurable financial commitments and implementation timelines.

This combination offers opportunities to expand community partnerships to strengthen health and safety net programs and address gaps in care. WakeMed will continue to 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. Through this combination, WakeMed and Atrium Health will:

- Expand efforts to address social drivers of health and connect to community resources
- Improve access through a state-wide virtual care network
- Draw on the WakeMed Center for Community Health model of trauma-informed care and community health management to improve access for the most vulnerable populations
- Create North Carolina's largest nonprofit mental health network, addressing the shortage of mental healthcare beds, and outpatient mental health services
- Further develop the Garner Whole Health Campus and continued operation of WakeBrook
- Expand transitional housing support for community partners addressing housing needs
- Support economic development in Southeast Raleigh by completing WakeMed projects associated with the Raleigh Health & Education District

The \$2 billion commitment in Wake County is a starting point, and the work with the community will not stop there as the community grows — WakeMed will continue to work with community leaders and organizations who partner with WakeMed to improve health to determine how growing needs can be addressed. These investments are just the beginning. Previous combinations with Atrium Health have proven to provide even more than originally designated, and as a result the communities have benefited.

77. Please provide a detailed overview of the anticipated integration timeline associated with the proposed merger or affiliation involving WakeMed and Atrium Health, including all major phases of implementation and the projected schedule for completion.

If approved by the Wake County Board of Commissioners, the proposed combination between WakeMed and Atrium Health will move into regulatory review by the Federal Trade Commission. During this period, both organizations will remain fully independent, with no changes to care delivery, staffing or operations.

After closing, integration will begin using a phased, deliberate approach with immediate work focused on master facility planning and construction design tied to long-term capital investment.

Other initial operational phases will focus on sharing best practices, aligning quality standards, and beginning technology and electronic medical records integration — leveraging the shared Epic platform to strengthen data sharing, care coordination and continuity. Workforce planning will prioritize growth and development opportunities to support new investments and expanded services including behavioral health.

Subsequent phases will expand clinical services and access to care, while advancing analytics, remote monitoring and opportunities to broaden clinical trials, education and training. Community benefit commitments will be implemented in parallel, with measurable benchmarks tied to quality outcomes, access and operational performance.

This integration will unfold over multiple years, with clear milestones across operations, IT, workforce alignment, and capital investment — ultimately delivering transformative value for patients and the Wake County community.

78. Specifically, please identify the key milestones associated with the transaction and integration process, including but not limited to: Regulatory review and approval timelines; Governance and leadership transition milestones; Operational and administrative integration phases; Electronic medical record and information technology integration; Staffing and workforce transition plans; Clinical service consolidation or expansion plans; Capital investment and facility improvement timelines; Community benefit implementation milestones; and Any measurable performance, quality, access-to-care, or financial benchmarks anticipated during the integration process.

Please see the answers to the questions previously answered above.

79. Please also disclose what contingencies, oversight mechanisms, and accountability measures will be implemented to ensure that patient care quality, workforce stability, and community access to healthcare services are maintained throughout the integration period.

Several layers of protection are in place. WakeMed's governing board with its Wake County appointed majority will remain active and accountable throughout the integration period and beyond. WakeMed will continue to operate under its own licenses and medical staff, ensuring local clinical accountability is maintained. Public reporting on quality, community benefit and financial performance will continue without interruption. And the reversionary right back to Wake County if key obligations are not met is the ultimate backstop.

At the core, the integration process at Atrium Health starts with listening and learning. Atrium Health's approach thoughtfully moves through three phases over a multi-year timeframe — discovery, planning, and execution. WakeMed and Atrium Health begin by understanding each organization's strengths and the areas each organization can learn from one another to make each organization stronger together. Next, opportunities and potential value are identified jointly through a master integration plan, which is then implemented to turn that potential into real impact for the communities served.

80. Please disclose whether the proposed merger or affiliation involving WakeMed and Atrium Health is expected to result in the closure, consolidation, downsizing, relocation, repurposing, or reduction of services at any existing hospital, clinic, outpatient facility, physician practice, administrative office, or other healthcare location currently operated by WakeMed.

This combination is focused on expanding services, not reducing them.

No closures, reductions or outsourcing of core services are planned. Key services, including trauma care, children's services, maternal health and emergency care, will be preserved and strengthened.

There are no planned layoffs related to this transaction. The focus is on workforce growth, with more than 3,300 new jobs expected over five years.

81. Additionally, please identify whether any workforce relocations, position reassignments, departmental consolidations, staffing reductions, changes in reporting structure, or mandatory transfers of employees are anticipated as part of the integration process, including the categories of employees potentially affected and the projected timeline for any such actions.

This combination is focused on expanding services, not reducing them.

No closures, reductions or outsourcing of core services are planned. Key services, including trauma care, children's services, maternal health and emergency care, will be preserved and strengthened.

The closing of the transaction would not result in any layoffs. The focus is on workforce growth, with more than 3,300 new jobs expected over five years. As mentioned, Atrium has a significant track record of expanding jobs in previous combinations.

82. Please further explain what commitments, if any, are being made to preserve local access to care, maintain employment stability, minimize workforce disruption, and ensure continuity of patient services throughout the transition and integration period.

The integration process will be thoughtful and intentional, moving through three phases — discovery, planning and execution — over a multi-year timeframe. Atrium Health begins by understanding each organization's strengths and the areas each organization can learn from one another to make each organization stronger together. Next, opportunities and potential value are identified together through a master integration plan, which is

implemented to turn that potential into real impact for the communities served. This is a multi-year process with accountability built in at every stage.

- 83. Please disclose whether any board member appointed by Wake County, or any immediate family member of such board member, has received any form of compensation, remuneration, financial benefit, contractual payment, consulting fee, employment income, vendor payment, or other consideration from WakeMed or any affiliated entity, subsidiary, contractor, foundation, or related organization at any time during the past ten (10) years.**

Over the past decade, there have been limited, fully disclosed relationships between County-appointed Directors and WakeMed (such as the employment of a family member), and managed in accordance with the organization's strict conflict of interest policies. Importantly, no member of the Board of Directors receives any form of compensation, remuneration, financial benefit, or contractual payment from WakeMed or any affiliated entity in connection with the proposed combination.

To provide context, all Directors are bound by WakeMed's Conflict of Interest Policy, which requires them to act in good faith and uphold the highest standards of honesty and fair dealing in all matters. Directors are prohibited from using their position or access to information for personal financial gain, and they are required to disclose any actual or potential conflicts promptly, both prior to and during their service. This framework ensures transparency, accountability and continued trust in the Board's oversight.

- 84. For purposes of this request, "immediate family member" shall include spouse, domestic partner, parent, child, sibling, or any household member with a financial relationship to the appointed board member.**

WakeMed's Conflict of Interest policy requires disclosing financial interests-direct or indirect, through business, investment or family.

- 85. Please disclose and itemize any compensation, remuneration, severance benefit, retention payment, transaction bonus, equity interest, deferred compensation, pension enhancement, consulting agreement, employment guarantee, change-in-control payment, or other financial or non-financial consideration that the President & CEO, any Executive Staff member, or any Board member of WakeMed is anticipated, expected, negotiated, or contractually entitled to receive in connection with, or contingent upon, the completion of the proposed merger, affiliation, acquisition, or other transaction involving Atrium Health.**

Certain key individuals at WakeMed have retention/non-demotion to ensure stability and continuance of high-level care. However, there is no compensation, remuneration, severance benefit, retention payment, transaction bonus, equity interest, deferred compensation, pension enhancement, consulting agreement, change-in-control payment or other financial or non-financial consideration that the President & CEO, any executive staff member, or any Board member of WakeMed is anticipated, expected, negotiated, or contractually entitled to receive in connection with, or contingent upon, the completion of the proposed merger, affiliation, acquisition or other transaction involving Atrium Health.

86. Please further identify the nature and estimated value of any such compensation compared to the individual's current compensation and benefits package, including any increases, accelerated vesting, retention incentives, post-transaction employment arrangements, or transition-related financial considerations.

None to identify.

87. Please explain the rationale for declining to fully explore, evaluate, or negotiate a proposal reportedly valued at approximately \$5 billion as compared to an alternative proposal valued at approximately \$2 billion, particularly where the approximate \$3 billion differential could represent a substantial additional investment in healthcare infrastructure, patient services, capital improvements, workforce development, and long-term community healthcare capacity within Wake County and the surrounding region.

WakeMed has a long history of partnering with UNC — particularly for the training and education of medical students and residents as well as PharmD students. WakeMed is proud of this partnership and looks forward to continuing to build upon it in the future. At the same time, WakeMed is not for sale and is not looking to be fully acquired by another organization.

It is also important to note that despite some of the misleading media articles, UNC communicated that \$5 billion was being invested in and “around” Wake County, of which \$2.5 billion being tied to WakeMed priorities.

WakeMed received strong feedback from community and statewide leaders that more healthcare competition, not less, was critically important. A combined UNC and WakeMed would reduce the number of health systems in Wake County from three to two with UNC controlling 80% of Wake County's inpatient discharges. This type of combination would severely reduce community choice for patients, providers and employees.

The combination with Atrium Health will maintain the three strong providers in Wake County that exist today, while improving care coordination, and creating efficiencies that support access and value.

The strategic combination with Atrium Health preserves competition and delivers a binding \$2 billion investment dedicated entirely to Wake County.

A top priority of WakeMed in consideration of any partnership was the ability to maintain autonomy. The UNC Health offer was based on absorbing WakeMed into its public, state-run entity as seen in the recent announcement of its purchase of Wayne Memorial Hospital.

88. Please further identify the criteria, financial analyses, fiduciary considerations, and strategic assumptions relied upon in determining that the lower-valued proposal was in the best interests of the public, patients, and stakeholders.

WakeMed has a signed agreement with Atrium Health following more than three years of rigorous due diligence and evaluation. With guidance from external experts, the WakeMed Board determined the agreement delivers on

the priorities that matter most to both the organization and the community, first and foremost an unwavering commitment to care for all.

In this case, value was not defined by dollars alone. It was defined by the ability to expand access to care, accelerate innovation, invest meaningfully in the community, strengthen the clinical workforce, and ensure long-term sustainability in a rapidly changing healthcare environment. In short, it is about securing not just a transaction, but a future, one that better serves patients, supports caregivers, and advances the health of the entire region.

89. Please disclose whether any community members, advocacy organizations, consultants, public relations representatives, civic leaders, nonprofit entities, or other third parties are receiving compensation, reimbursement, grants, consulting fees, sponsorships, contractual consideration, or any other financial or in-kind benefit in exchange for supporting, advocating for, or publicly promoting the proposed merger or affiliation transaction.

WakeMed consistently prioritizes its financial resources toward patient care. As a result, its Government Affairs team is intentionally lean, consisting of two employees. Given the magnitude of the community response, WakeMed engaged a community consultant in June to support education and outreach efforts related to the strategic combination of WakeMed and Atrium Health.

Except as identified above, no community members, advocacy groups, consultants, civic leaders, or third parties are receiving compensation, grants, or other benefits in exchange for supporting or promoting the proposed affiliation. WakeMed does retain consultants and public relations professionals; however, these relationships predate the proposed transaction and have continued unchanged.

90. If so, please identify the individuals and/or organizations involved, the nature of the relationship, the form and amount of compensation or consideration provided, and the source of such funding.

This information is material to the public's ability to evaluate the independence, credibility, and weight of public comments, endorsements, and advocacy relating to the proposed transaction.

Please see the response above. We consider the specifics of WakeMed's contractual arrangements confidential.

91. Numerous credible studies and published analyses have concluded that hospital mergers and healthcare system consolidation frequently result in increased healthcare pricing, reimbursement rates, insurance premiums, and overall patient costs. In light of this body of research, please identify and disclose any internal analyses, financial projections, actuarial assessments, consultant reports, or economic modeling performed regarding the anticipated impact of the proposed transaction on healthcare pricing, patient charges, commercial reimbursement rates, and overall healthcare costs within the affected service area, including the percentage increases, if any, that are projected or anticipated.

It is important to note that there are also studies that indicate just the opposite that are detailed and shared on the microsite dedicated to the combination: <https://www.wakemed.org/atrium-health-and-wakemed-announce-planned-strategic-combination>.

The American Hospital Association (AHA), Kaufman Hall, the Kaiser Family Foundation are three organizations who have studied the impact on costs. In fact, a March 2026 research study by the American Hospital Association has found that combinations are associated with a 3.3% reduction in annual operating expenses per adjusted admission.

Additional research finds operating expenses fell by roughly 5-6% on a per-bed basis. Furthermore, a 2021 study by Kaufman Hall indicates that partnerships, affiliations and mergers can reduce the total cost of care by improving care coordination and efficiencies by four to seven percent.

The fact is that for most families, healthcare costs are felt through rising insurance premiums — costs that often grow faster than what hospitals are actually reimbursed to provide care 24/7, 365 days a year.

Importantly, this combination will not increase consolidation in Wake County. Instead, it will preserve choice and maintain the competition between three strong health systems that exist today.

92. Additionally, it is common in certain healthcare transactions for a charitable or community benefit foundation to be established for the purpose of mitigating potential adverse financial impacts on patients and the community arising from increased healthcare costs and market consolidation. Please explain the rationale for not establishing such a foundation in connection with this proposed transaction, including whether the creation of a community benefit or healthcare affordability fund was considered, evaluated, or rejected, and the reasons supporting that decision.

These types of charitable foundations are typically created in connection with the sale of a hospital or system. This transaction is not a sale, and accordingly, the creation of a new foundation of that type has not been contemplated.

WakeMed and Atrium Health believe the strongest protection for the community is not to separate resources into a standalone entity, but to build clear, enforceable commitments directly into the governing organization that delivers care every day. In this case, WakeMed's existing foundation will remain a separate 501(c)(3), ensuring philanthropy continues to support local priorities and honor donor intent.

A simple way to think about it is that a foundation is like a scholarship, providing important support. But what this community needs most right now is to build and strengthen the "classroom" itself — where care is actually delivered. This approach ensures that the mission, access to care, and charity care commitments are embedded directly into the organization responsible for caring for patients, rather than sitting in a separate entity removed from day-to-day care.

93. I have been contacted by multiple physicians, nurses, and healthcare professionals expressing concerns regarding patient care staffing levels and staff-to-patient ratios associated with Atrium Health.

Please disclose whether the proposed merger or affiliation involving WakeMed and Atrium Health is anticipated to result in any changes to staff-to-patient ratios, nurse staffing levels, physician coverage levels, support staffing, or other direct patient care staffing metrics at any WakeMed facility.

Just like WakeMed, Atrium Health has been nationally recognized for nursing excellence and has among the highest number of Leapfrog “A” rated hospitals in the state, reflecting a shared commitment to high-quality, safe care. This proposed combination is expected to strengthen bedside care, not strain it, including through innovations like virtual nursing and other technology tools that help reduce administrative burden and allow nurses to focus more on patients.

WakeMed, like Atrium, has long taken a people-first approach, and that will continue ensuring caregivers have the support, staffing, and resources they need to deliver safe, high-quality care. Care teams will continue to operate as they do today, with patients and families at the center of every decision.

WakeMed is designated as Magnet Recognition *with Distinction*™ by the American Nurses Credentialing Center, which recognized our ongoing dedication to engaging and empowering our nurses to improve outcomes for patients through shared governance and decision-making. WakeMed remains committed to upholding the Magnet standards, which emphasize engagement, professional growth and autonomy across all clinical teams.

Importantly, this is a growth strategy. The combination is expected to create more than 3,300 new jobs in Wake County over the next five years, including adding nurses and other clinical staff to expand access to care.

This approach is consistent with Atrium Health’s track record. Since its 2020 combination with Wake Forest Baptist, Atrium has added more than 8,200 jobs in North Carolina and more than 20,000 jobs across its broader system.

The bottom line is this combination is about strengthening care by growing the workforce, supporting caregivers, and expanding access so patients receive the right care — at the right time, with the right level of support.

94. If changes are anticipated, please identify the projected staffing ratios before and after the transaction, the methodology utilized in determining such staffing levels, and any analyses performed regarding the anticipated impact on patient safety, quality of care, employee workload, staff retention, and clinical outcomes.

No staffing ratio changes are anticipated as part of this transaction. Staffing levels will continue to be set based on best practices and patient care needs to ensure safety and the highest quality of care,

95. Parking costs can impose a significant financial burden on patients, families, caregivers, and visitors already experiencing medical hardship. Please disclose whether Atrium Health intends, either directly or indirectly, to monetize, privatize, outsource, increase fees associated with, or otherwise modify the current parking structure, parking rates, or parking access policies at facilities currently operated by WakeMed following completion of the proposed transaction.

WakeMed does not charge for parking. For context, the Raleigh Campus previously had paid parking for visitors for a number of years, not for patients or their families, but that policy was discontinued in 2019. There are no plans to reinstate paid parking.

- 96. Please further identify whether any analyses, proposals, projections, vendor discussions, public-private partnership arrangements, or revenue-generation strategies relating to parking operations or parking fee increases have been considered, discussed, or evaluated as part of the merger or integration planning process.**

Parking has not been discussed as a part of this proposed combination, nor are there plans to implement in the future.

- 97. The North Carolina State Treasurer has publicly indicated his belief that WakeMed possesses the financial strength and resources necessary to independently obtain financing for needed renovations, capital improvements, and future expansion projects. Given that the proposed merger or affiliation transaction is not guaranteed to receive all necessary approvals or ultimately be consummated, please identify and disclose the specific steps that have been taken to independently pursue financing alternatives.**

Such disclosure should include, but not be limited to, any efforts to obtain bond financing, commercial lending, public financing, strategic partnerships, philanthropic funding, capital campaigns, state or federal funding opportunities, infrastructure financing mechanisms, or other sources of capital independent of the proposed transaction with Atrium Health

Over the past decade, WakeMed invested \$1.04 billion in capital projects. To remain competitive and serve the community well, over the next decade, WakeMed needs to more than double its capital investment to exceed \$2 billion. This investment includes the estimated \$400 million to \$450 million for the construction of the Garner campus as well as \$1 billion investment needed in the Raleigh campus. Other needed capital investments include projects at the North Raleigh hospital and the Cary hospital, as well as other patient access care locations in the County.

While operating performance in 2025 was relatively “healthy,” over the past five years, including 2025, WakeMed has only generated about \$100 million per year in operating cash flow. That level of performance is inadequate to meet the competitive demands and community needs of the market alongside reinvesting in its infrastructure. Moreover, regulatory pressures (H.R. 1, etc.) and significant labor, drug, and supply inflation will work to erode go-forward operating performance.

Further, to remain at WakeMed’s current “A” credit rating, it has limited debt capacity, which is estimated at \$350 million by Kaufman Hall, WakeMed’s financial advisor. Both Moody’s and Fitch noted that WakeMed needs to retain a cash level in line with its debt obligations to avoid downgrade and a desire to see WakeMed rebuild liquidity to closer to 200 days cash on hand. WakeMed believes that maintaining and improving its credit rating is important to ensure WakeMed remains a viable and thriving organization with access to low-cost funding. Of significance, Atrium Health Wake Forest Baptist, located in Winston-Salem has experienced six positive rating actions resulting in AA rating since joining the Atrium family.

Therefore, while WakeMed does endeavor to create positive operating performance, the future environment is very uncertain and much of its cash flow will need to be focused on rebuilding its balance sheet and funding routine/replacement capital needs with limited ability to compete and invest in the community.

Other sources of financing are limited as well and will certainly not fill the \$1.6 billion gap that currently exists. These include lines of credit and a plan for a commercial paper program. WakeMed's line of credit capacity is \$100 million and any commercial paper program would be capped at \$200 million. These financing tools are meant to supplement cash flow funding versus provide long-term funding for major capital projects.

What all of this means is that the numbers matter, for the patients and families of Wake County and for WakeMed. Without the proposed transaction with Atrium Health, over the next 10 years, hard decisions will have to be made as to how to invest the limited cash WakeMed will have. Capital projects that provide the most return will need to be prioritized, potentially over \$1 billion in refurbishment capital, needed at the Raleigh campus.

98. Please further identify what financing options were explored, which entities or institutions were contacted, the results of those discussions, and the rationale for determining that such alternatives were insufficient, impractical, or otherwise not in the best interests of the organization and the community.

The rationale for determining whether other alternatives were insufficient or not in the best interest of WakeMed is based in part on the rating agency process. WakeMed is evaluated annually by Moody's and Fitch, and they assign ratings as well as issue a credit opinion that details criteria that would need to be met for a rating upgrade as well as the challenges that need to be addressed to prevent a rating downgrade. From a financial perspective a downgrade is costly to earnings and cash as it makes debt more expensive. Similar to a personal credit score, a company's rating determines the interest rate you must pay on your debt.

Based on the credit opinion issued and the factors noted that can lead to a downgrade, WakeMed is able to run scenarios internally and with financial advisors, Kaufman Hall, as to what its debt capacity totals. WakeMed is constantly looking at current and long-range projections using scenarios of what could lead to an upgrade, what levels would likely lead to a downgrade, and simply what it can afford that will allow it to continue to pay expenses every month, which are lining up currently close to \$7 million per day.

Based on these scenarios WakeMed has determined that its debt capacity is in the \$300 million to \$400 million range with a risk to its targets with the rating agencies. At current long-term planning targets that reflect maintaining current operating margins, it would take 10 years to generate the additional \$1.6 billion of capital needed for the investments noted above.

The best interest of the community and WakeMed are decisions now that are in the best interest of future financial impacts. Over-leveraging WakeMed now would only hurt the organization in the future and stall opportunities as the growth of Wake County continues at a rapid pace. WakeMed has to make solid financial choices now that allow not only for managing the day-to-day operations but also funding for current routine capital and building liquidity for future growth.

99. It has been publicly reported that Atrium Health has participated in or committed resources toward affordable housing initiatives in connection with healthcare system investments and community benefit efforts within Mecklenburg County.

In light of the significant affordable housing challenges facing Wake County, please disclose whether the proposed merger or affiliation involving WakeMed includes any commitment, obligation, investment strategy, funding allocation, partnership initiative, or long-term plan to support, develop, finance, or preserve affordable housing opportunities within Wake County or the surrounding service area.

Atrium Health has long recognized that housing is an essential part of a person's health and well-being. Over the course of the last decade, Atrium Health has invested approximately \$51 million in affordable housing initiatives that strengthen community health, including supportive housing programs, virtual health clinics and millions of dollars in preservation and development efforts. All of Atrium Health's investments into affordable housing reflect its belief that health begins at home and that stable housing is critical to building healthier communities.

A complete timeline showcasing Atrium's history of investing in affordable housing can be found here: <https://atriumhealth.org/about-us/affordablehousing>, which includes Atrium Health's most recent announcement, where it fulfilled its promise to contribute property valued at nearly \$30 million to support the development of affordable housing by Charlotte's public housing authority.

Similarly, WakeMed has supported several initiatives such as CASAKings Ridge, Triangle Family Services and others, and recognizes there is more opportunity.

The connection between housing stability and health outcomes is well documented, and it is central to how Atrium Health approaches community investment. That approach will extend to Wake County. The specific scope, funding levels, and community partners for housing initiatives in Wake County will be defined through the community engagement process that is a core part of how Atrium Health approaches every new market it enters.

100. If such commitments are being considered, please identify the anticipated scope, funding levels, timelines, community partners, and affordability targets associated with those efforts. If no such commitments are contemplated, please explain the rationale for not incorporating affordable housing investments into the proposed transaction despite the well-documented relationship between housing stability and public health outcomes.

The connection between housing stability and health outcomes is well documented, and it is central to how Atrium Health approaches community investment. That approach will extend to Wake County. The specific scope, funding levels, and community partners for housing initiatives in Wake County will be defined through the community engagement process that is a core part of how Atrium Health approaches every new market it enters.

In addition, Atrium Health has a community impact investment framework that it deploys in every community it serves, and Atrium Health looks forward to learning and understanding the needs more of Wake County through the integration process.

101. If such commitments are being considered, please identify the anticipated scope, funding levels, timelines, community partners, and affordability targets associated with those efforts. If no such commitments are contemplated, please explain the rationale for not incorporating affordable housing investments into the proposed transaction despite the well-documented relationship between housing stability and public health outcomes.

Please see answer to question above.

102. Please disclose whether Atrium Health is prepared to make any binding commitments, financial investments, partnership agreements, workforce initiatives, or community benefit contributions aimed at expanding access to affordable childcare within Wake County in connection with the proposed merger or affiliation involving WakeMed.

Such disclosure should include any plans relating to employer-supported childcare, childcare subsidies, childcare facility development, early childhood education partnerships, workforce retention programs, or other affordability initiatives intended to support healthcare workers, patients, and working families within the community.

If no such initiatives are currently contemplated, please explain the rationale for not including affordable childcare investments as part of the transaction's broader community benefit and workforce sustainability commitments, particularly given the recognized impact that childcare accessibility and affordability have on workforce participation, healthcare staffing stability, and overall community health outcomes.

Supporting working families, including healthcare employees, is an important part of long-term workforce sustainability and community health. Both WakeMed and Atrium Health have experience partnering with community organizations to address broader needs such as housing, transportation and family support services.

Through this combination, there will be opportunities to work with local partners to explore solutions that support workforce needs and community priorities, including areas like childcare.

The broader focus of this investment is to expand access to care, strengthen the workforce and address key factors that impact health outcomes across the community.

103. Please provide a detailed explanation of how Atrium Health defines, calculates, reports, and accounts for indigent care, charity care, uncompensated care, and community benefit expenditures, including the methodologies, eligibility criteria, financial assistance standards, reimbursement assumptions, and accounting practices utilized in determining such figures.

WakeMed will continue to use its existing policies and standards for defining, calculating and reporting indigent care, charity care and community benefit.

These policies are already established through WakeMed's agreements with Wake County and follow recognized industry and regulatory guidelines for financial assistance eligibility, reporting and accounting.

As part of this combination, WakeMed will maintain these existing obligations and expand financial assistance eligibility from 300% to 400% of the federal poverty level, allowing more patients to qualify for free or discounted care. The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

Advocate Health, which Atrium Health is a part of, invests nearly \$6.2 billion in community benefit, which is among the largest providers of charitable care and services in the nation. More information about the latest community benefit report can be found here: <https://www.advocatehealth.org/news/advocate-health-invests-6-point-2-billion-in-community-benefit>. In North Carolina alone, Atrium Health provided \$2.5 billion in community benefit programs, including free and reduced-cost care, behavioral health, and support for housing and food.

All reporting and accountability practices will continue unchanged, including public reporting to Wake County and compliance with applicable standards.

Importantly, these commitments are enforceable. If WakeMed fails to meet its obligations as a community hospital open to all, ownership of its hospital facilities would return to Wake County.

104. Additionally, please explain how Atrium Health defines “medically necessary” care for purposes of determining patient eligibility for financial assistance, charity care, uncompensated treatment, or coverage limitations, including any policies governing exclusions, denials, utilization review, or limitations on services deemed not medically necessary.

WakeMed will continue to use its existing approach to determining medically necessary care, consistent with established clinical standards and physician judgment.

Simply put, “medically necessary” care includes services a clinician determines are needed to evaluate, diagnose or treat a patient’s condition or symptoms.

If WakeMed aligns with Atrium Health’s financial assistance policy, the result would not restrict care. Instead, it would maintain current practices while expanding eligibility for financial assistance. The new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

As is standard across the industry and consistent with WakeMed's current policy, non-emergent cosmetic services are not eligible for financial assistance.

Overall, the focus remains on expanding access to care and reducing financial barriers, not limiting services through a narrower definition of medical necessity.

105. Please further identify and explain all material differences between Atrium's policies and practices and the current indigent care, charity care, financial assistance, and medical necessity policies presently utilized by WakeMed, including any anticipated changes that may occur following completion of the proposed transaction.

There are no changes that would reduce WakeMed's current commitments.

WakeMed will maintain its existing indigent care obligations to Wake County under the same standards and requirements that are in place today.

In addition, the new expanded charity care policy will allow anyone under 300% of the federal poverty level (FPL) to receive care at no cost. Additional discounts will apply on a sliding scale up to 400% of FPL. A family of four making up to \$99,000 (300% of FPL) will not receive a bill and receive a 100% discount on their care. A family of four making up to \$132,000 (400% of FPL) will receive a 75% discount on their care. Uninsured families receive a 50% discount on top of this already deeply discounted care. Both WakeMed and Atrium Health have financial counselors to help patients navigate healthcare costs. At Atrium Health, 90% of patients are automatically pre-screened for charity care, and nearly 100,000 of those screened patients in North Carolina never received a bill in 2025 alone.

Overall, this combination strengthens, rather than changes, WakeMed's commitment to serving patients regardless of their ability to pay.

106. Please disclose whether Atrium Health intends to provide any financial investment, capital commitment, operational partnership, clinical support, management services, staffing resources, or other form of participation in connection with the proposed or planned mental health hospital project in Garner.

Atrium Health's \$2 billion capital commitment includes funding for key WakeMed strategic priorities, including the Garner Whole Health Campus.

This investment supports the continued development of the campus, which will include a new mental health and well-being hospital, along with expanded services to improve access to behavioral healthcare in Wake County.

107. If such participation is being considered, please identify the anticipated scope of involvement, projected funding levels, timeline for investment, governance structure, service commitments, and any conditions or contingencies associated with that participation.

The \$2 billion commitment is a binding investment dedicated to WakeMed and Wake County that is expected to be deployed over approximately 10 years through established capital planning processes.

Decisions on how funds are allocated will be guided by WakeMed's local board, with input through the shared governance structure to ensure alignment with strategic priorities.

There are no financial contingencies tied to the investment. The primary requirement is that Atrium Health continues to operate and fulfill its obligations over the commitment period.

As projects move forward, funding allocations may be adjusted by mutual agreement to reflect evolving community needs. Any efficiencies or cost savings will be reinvested into additional projects, not used to reduce the overall commitment.

108. If no investment or participation is currently contemplated, please explain whether the project has been evaluated as part of the broader strategic planning process associated with the proposed transaction involving WakeMed and Atrium Health, and the rationale for not pursuing such involvement given the significant and growing demand for behavioral and mental health services within Wake County and the surrounding region.

See above. Investment and participation are contemplated.

109. With the proposed merger between Atrium Health and WakeMed, who will have the authority to determine how the proposed \$2 billion investment is allocated and over what timeframe those funds will be spent?

The parties have already identified contemplated uses for the \$2 billion capital commitment, which will expand investment in WakeMed and Wake County as follows:

- **Modernize and expand the flagship Raleigh campus** – Major facility modernization and bed/capacity expansion to serve projected population growth and rising acuity, including upgrades that improve patient flow, safety, and efficiency.
- **Expand Cary and North campuses and support the Garner Whole Health Campus** – Targeted expansion and modernization of existing sites to increase local access and reduce pressure on emergency departments and inpatient capacity.
- **Build new Healthplex sites with emergency and outpatient services** – New access points that combine emergency care and high-demand outpatient services to bring care closer to where people live and to relieve overcrowding at hospital-based sites.
- **Expand behavioral health capacity and network** – Investment to build and integrate what will be North Carolina's largest nonprofit behavioral health network, including more than 360 inpatient behavioral health beds plus expanded outpatient access, care coordination, and related supports.
- **Strengthen and scale virtual care** – Investment in a statewide 24/7 virtual care network to expand access, improve continuity, and reduce avoidable emergency room visits.

- **Support workforce and operating capabilities** – Investments in recruitment, retention, training, and the operational infrastructure needed to sustain expanded services and improve care coordination across sites, including technology and process improvements that support quality and efficiency.
- **Protect and strengthen core community services** – The investment plan is designed to preserve and strengthen essential WakeMed services — including trauma, children’s services, and key hospital and emergency capabilities — while expanding capacity to keep pace with community need.

The projects will be implemented through normal, capital budgetary processes over the next decade.

110. What oversight, approval, and accountability mechanisms will be in place to ensure those funds are invested in accordance with commitments made to Wake County residents and underserved communities?

Strong oversight and accountability are built into the governance structure.

A majority of the WakeMed Board of Directors will continue to be appointed by Wake County. These local board members have the authority to oversee how funds are invested and to make sure commitments are kept.

The board has the ability to enforce Atrium Health’s obligations, including the \$2 billion capital commitment, and to take action if those commitments are not met.

In addition, WakeMed will continue its existing transparency practices, including public reporting and oversight by Wake County, ensuring ongoing accountability to the community.

111. Additionally, how will community input and stakeholder engagement be incorporated into the decision-making process, including input from patients, employees, physicians, local governments, community organizations, and historically underserved populations?”

WakeMed, like Atrium Health, already has a well-established process for regularly assessing community health needs and using those insights to guide services and investments. For example, WakeMed conducts ongoing Community Health Needs Assessments in collaboration with Wake County and local partners, using that input to shape priorities like mental health, capacity, and access. Atrium Health follows a similar model across the communities it serves, combining formal assessments with community outreach to guide investments in care, workforce, and community programs.

That work will continue. WakeMed has also held multiple public meetings as part of this process, and will continue engaging residents, local leaders, and community partners as the review moves forward, ensuring decisions reflect the needs and priorities of the people it serves.