



HOSPITALS PROFIT DURING COVID-19

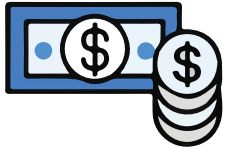
As widespread economic suffering shuttered businesses and schools, cost thousands their jobs and strained small and rural hospitals, North Carolina's seven largest hospital systems recorded \$7.1 billion growth in cash and financial investments from 2019 to 2021. These seven systems reaped \$5.2 billion in net profits in 2021, and all but one even enjoyed higher net profits than before the pandemic.

The large hospital systems built these profits while taking \$1.5 billion in taxpayer-funded coronavirus relief meant to support struggling hospitals from 2020 to 2021. When they then accepted another \$1.6 billion in Medicare Accelerated and Advance Payments, most hospital systems boasted enough cash on hand to operate for more than half a year without any incoming revenue — or more than 10 times as long as many rural hospitals. Despite the stark disparities, governmental accountability for the disproportionate distribution of relief was lacking, as well as transparency about how the hospital systems used the COVID relief dollars.

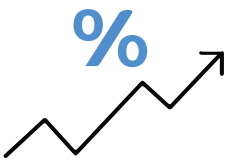
The dominant hospital systems did not share their massive profits with disadvantaged patients. In 2020, only a sliver of their \$3.1 billion growth in cash and investments was devoted to increasing charity care spending despite record unemployment rates and economic pain from the pandemic and the lockdowns. Instead, charity care spending fell across a third of all North Carolina hospitals in 2020. Even worse, certain hospitals billed more dollars to impoverished patients eligible for charity care than in previous years.

Unless state lawmakers take action, the profits gained from the misdirection of taxpayer dollars are expected to drive record levels of consolidation and health care price increases. Wealthy hospital systems could return the COVID relief money — or commit to increasing charity care and curbing price inflation. There is precedent for hospitals to return unnecessary, taxpayer-funded relief. When HCA Health relinquished \$6 billion in federal COVID relief dollars, HCA said that “returning these taxpayer dollars is appropriate and the socially responsible thing to do.”

DEFINITION BOX:



Operating Profit: The difference between revenues and costs related to patient care.



Net Profit (Income): Net Patient Revenue, less Operating Expenses, plus Other Income and Expense. Represents earnings retained by the hospital.



Growth in Cash and Financial Investments: The growth in the financial position, including both realized and unrealized gains/losses on securities. This should not be mistaken for reserves, as it does not include other resources such as property.



Days Cash on Hand: The number of days a hospital is able to pay cash operating costs from unrestricted cash and financial investments. This number is drawn from quarterly bond filings and estimates by rating agencies.

DOMINANT N.C. NONPROFIT HOSPITAL SYSTEMS SCORE RECORD PROFITS AND INVESTMENT GROWTH WHILE TAKING COVID RELIEF DOLLARS

During the pandemic, dominant hospital systems enjoyed record growth in cash and investments. While rural hospitals and disadvantaged patients suffered financially, North Carolina's largest nonprofit hospital systems took millions of taxpayer-funded relief dollars. Seven hospital systems then made billions of dollars in net profits and in the growth of their investments on Wall Street, hedge funds and private equity firms.^{1 2 3}

When the coronavirus pandemic hit North Carolina in March 2020, hospitals froze elective procedures to prepare for surge capacity.⁴ As disruptions and shortages in the supply chain drove operating expenses higher, operating revenues plunged.⁵ The federal government responded by rushing billions of dollars to hospitals across the nation.⁶

In North Carolina, most of that relief never made it to the disadvantaged hospitals that most needed a lifeline.⁷

⁸ Instead, the seven largest hospital systems swallowed \$1.5 billion in COVID relief dollars and took another \$1.6 billion in the Medicare Accelerated and Advance Payments (MAAP) that boosted hospitals' revenue streams by advancing money for future services.⁹ The federal government based the relief payments on hospitals' revenues, not their need, ensuring that the largest systems would reap the largest rewards in taxpayer money.^{10 11}

This disproportionate distribution of taxpayer money protected the enormous growth in cash and financial investments across North Carolina's seven dominant hospital systems.¹² While operating profit margins narrowed, cash and investments skyrocketed.¹³ After receiving millions of dollars of COVID relief, those seven hospital systems recorded a \$7.1 billion growth in cash and investments in 2021 over pre-pandemic 2019 — almost as much as the state appropriated for K-12 classroom instruction in 2020.¹⁴ After accounting for non-patient revenues, six systems recorded their highest net

“SEVEN HOSPITAL SYSTEMS RECORDED \$7.1 BILLION GROWTH IN CASH AND INVESTMENTS DURING THE PANDEMIC.”

profit margins since 2017, with Duke Health reaping a 41% net profit margin in 2021. The seven systems recorded a total of \$5.2 billion in net profits in 2021.¹⁵

As the wealthy systems gobbled up the lion's share of COVID relief dollars among North Carolina hospitals, rural and disadvantaged hospitals starved.^{16 17} When the dominant hospital systems accepted the taxpayer-funded relief, they already had vast resources compared to rural hospitals and independent physicians.¹⁸ Atrium Health alone was sitting on \$7 billion in cash and financial investments.¹⁹ Many rural hospitals didn't even have enough cash on hand to operate for a month before shutting their doors.²⁰

Worse, these large hospital systems spent only a fraction of their windfall on increasing charity care for their communities, even as unemployment rates hit record levels in 2020 and par-



Six systems recorded their highest profit margins in the past five years — and Duke Health even reaped a 41% net profit margin in 2021.

ents struggled to educate their children.²¹ The American Hospital Association is still pushing Congress to give hospitals more taxpayer dollars.²²

At the request of State Treasurer Dale R. Folwell, CPA, the North Carolina State Health Plan for Teachers and State Employees (State Health Plan) invited researchers from the National Academy of State Health Policy (NASHP) to investigate hospitals' finances during the pandemic. With NASHP's analysis of hospitals' yearly audited financial statements and Medicare Cost Reports, the State Health Plan continued its investigation into the finances of Atrium, Novant, UNC, Duke, Vidant, Cone and WakeMed Health. The findings of the report, which was peer reviewed by Johns Hopkins Bloomberg School of Public Health, are

significant for state employees, taxpayers and all North Carolinians who face rising inflation in health care costs.

Experts fear the misalignment of COVID relief dollars will spark unprecedented levels of consolidation and price inflation.^{23 24} When wealthy hospital systems raked in the bulk of coronavirus relief, struggling independent physicians became more vulnerable to takeovers.^{25 26} Nationwide, hospitals drove a "sharp uptick" in employing physicians, adding 11,400 physicians, including some independent practitioners, during the first nine months of the pandemic.²⁷

It is expected that North Carolina patients will face fewer options, lower quality care and higher costs because of this trend towards reduced competition.^{28 29} Durham,

Greensboro and Wilmington have ranked in the top five most monopolistic cities in the nation for health care during 2012 through 2019.³⁰

³¹ Middle-class and low-income families are already pressured by rising inflation, and they do not have the resources to bear the price increases driven by consolidation.^{32 33 34 35 36 37}

On average, North Carolina's largest hospital systems did not dedicate their financial windfall to helping disadvantaged patients, according to newly available 2020 data.³⁸ Across 104 hospitals, charity care spending rose only \$246.5 million from 2019 to 2020. By comparison, that nominal increase equals less than 8% of the seven largest systems' \$3.1 billion growth in cash and investments that year.³⁹ More shocking, a third of North Carolina hospitals actually spent less on

COVID RELIEF	ATRIUM HEALTH	NOVANT HEALTH	UNC HEALTH	DUKE HEALTH	VIDANT HEALTH	WAKEMED	CONE HEALTH
COVID Relief (Provider, Other)	\$589M	\$261.4M	\$145.4M	\$180.1M	\$155.7M	\$36.7M	\$83M
Medicare Accelerated & Advance Payments	\$437.9M	\$373.7M	\$305M	\$282.1M	\$0	\$89M	\$140.4M
Growth in Cash & Investments (2021/2019)	\$2.4B	\$1.6B	\$674.4M	\$1.5B	\$228.6M	\$355M	\$336.8M
Total Cash & Investments (2021)	\$9.3B	\$4.7B	\$2.7B	\$5.7B	\$1.2B	\$1.1B	\$1.7B
Net Profit (2021)	\$1.2B	\$812M	\$891.1M	\$1.8B	\$228.3M	\$135.9M	\$178M

"COVID Relief" includes non-refundable taxpayer dollars from multiple sources: Provider Relief payments, FEMA payments, increased supplemental payments, and the employee subsidies included in the CARES Act. Medicare Accelerated and Advanced Payments (MAAP) boosted hospital revenue by pre-paying for Medicare services during the pandemic. These advance payments must be repaid with services under current rules. "Net Profit" measures the net income after non-patient revenues such as investments and parking. The months measured can differ based on the hospitals' schedule for financial reporting. Atrium does not include its merger with Wake Forest Baptist Health. See Appendix A for more detail.

charity care in 2020 than in the previous year.⁴⁰

Worse still, the State Health Plan’s past research indicates that some hospitals intensified the practice of billing the poor instead of providing higher levels of charity care in 2020.⁴¹ At least two hospital systems sued North Carolinians over medical debt during the pandemic, while others encouraged thousands of patients to open medical credit cards that can charge high interest rates.^{42 43 44 45}

North Carolina ranks among the states with the most unaffordable health care in the nation.⁴⁹ The State Health Plan is underfunded, which has been exacerbated by the pandemic. The State Health Plan spent \$315.7 million on medical claims directly related to the coronavirus, including testing, treatment and vaccinations, not all of

which was reimbursed by the legislature. Net medical claims increased by \$468.4 million in 2021 over 2020. Medical inflation is expected to put even greater financial pressure on the State Health Plan, the legislature and taxpayers.

“POLICYMAKERS MUST HOLD HOSPITALS ACCOUNTABLE FOR HOW THEY TREAT PATIENTS’ FINANCIAL HEALTH.”

Policymakers must hold hospitals accountable for how they treat patients’ financial health. The federal government has failed to create standards for hospitals’ tax exemptions in correlation to their charity care spending. The Internal Revenue Service does not mandate a minimum threshold of charity care spending, and the

agency cannot prove that it is consistently reviewing hospitals’ community benefits.⁵⁰

North Carolina’s dominant hospitals could return COVID relief dollars to taxpayers. There is precedent for this, as for-profit hospital system HCA Health returned \$6 billion in federal relief, stating that “returning these taxpayer dollars is appropriate and the socially responsible thing to do.”⁵¹

Alternatively, these hospital systems could commit to suppressing price inflation by transparently lowering costs, as well as accepting legislation to enforce charity care spending for profitable nonprofit hospitals. Without accountability, there is little protection for patients, as well as little reward for those hospitals committed to the financial and physical health of their communities.

NC HOSPITALS (104 HOSPITALS)	CHARITY CARE SPENDING (NET COSTS)	CHARITY CARE AVG. SPENDING (% OF EXPENSES)	AVG. BAD DEBT ELIGIBLE FOR CHARITY CARE (%)
2020	\$1,241,584,596	4.0%	30.8% - 47.7%
2019	\$995,116,670	3.4%	11.9% - 28.7%

Charity care total spending weighs all 104 hospitals analyzed in North Carolina, including for-profit hospitals. On average, a nonprofit hospital’s tax breaks are worth an estimated 5.9% of their total expenses — or more than \$1.8 billion across North Carolina’s largest hospital systems in 2020.^{46 47} “Average Bad Debt Eligible for Charity Care” reflects the bills that hospitals gave up collecting from impoverished patients, according to their IRS 990 tax filings. The bad debt averages are drawn from a previous report by the State Health Plan. The 2020 averages for bad debt that should have been charity care are limited by unreliable or unavailable data.⁴⁸

ATRIUM HEALTH

After taking the most COVID relief of any North Carolina hospital system, Atrium Health boasted \$1.2 billion in net profits in 2021; and another \$2.4 billion in growth in cash and investments from 2019 to 2021. The COVID relief dollars and the investment growth did not yield higher charity care spending across many of its hospitals in 2020. Instead, Atrium Health benefited from millions of dollars in the growth of equities and Wall Street investments.⁵²

Atrium Health was sitting on billions in cash and investments when the system received \$589 million in taxpayer-funded COVID relief, as well as another \$437.9

million in MAAP dollars. When Atrium Health collected the money, it already had \$7 billion in cash and investments — almost as much as the state’s appropriations for K-12 classroom instruction in 2020.^{53 54} Atrium Health possessed enough cash on hand to operate for one year and 44 days without a dime of incoming revenue in 2020.^{55 56}

Atrium Health CEO Gene Woods pushed for still more taxpayer dollars during a presentation to the U.S. Senate Special Committee on Aging. After declaring that “your policies have also allowed the deployment of financial resources to where they are most needed,” Woods told senators that “we urge you to support Medicare Advanced Payment loan forgiveness as

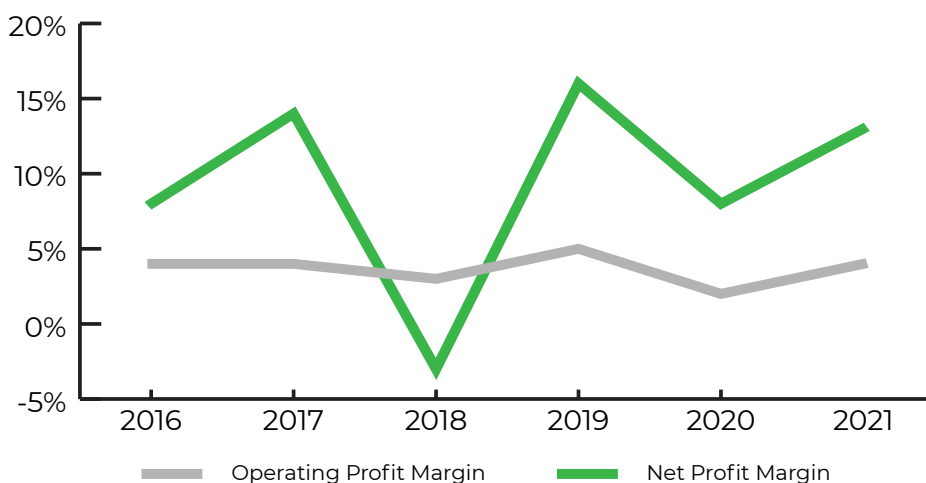
“ATRIUM HEALTH BOASTED A \$2.4 BILLION GROWTH IN CASH AND INVESTMENTS.”

part of the next COVID-19 relief package.”⁵⁷ If Congress had followed his advice, Atrium Health would have avoided repaying a portion of the \$437.9 million in taxpayer-funded Medicare advanced payments.⁵⁸

Despite accepting hundreds of millions of dollars in taxpayer-funded relief, Atrium Health reduced charity care spending across almost half of its hospitals in 2020.⁵⁹ It even sued hundreds of patients over medical debt during the pandemic, often for tens of thousands of dollars. Many lawsuits ended in judgments against patients.⁶⁰ Currently, Atrium Health also has 63,000 patients enrolled in medical credit cards that can charge up to 18% interest rates, depending on the payment plan.^{61 62}

After Atrium Health took hundreds of millions of COVID relief dollars, the sys-

ATRIUM HEALTH PROFIT MARGINS¹⁵⁶



tem’s cash and investments grew 34%, from \$7 billion in 2019 to \$9.4 billion in 2021. It is currently impossible for the public to track how Atrium Health used its COVID relief dollars. By December 2021, Atrium Health’s \$1.2 billion net profit was larger than any year after 2016, with the exception of 2019.⁶³

The pandemic did not slow the system’s drive to expand its market power over patients. During the height of the pandemic, Atrium Health completed its merger with Wake Forest Baptist Health (WFBH) in October 2020 and finalized a deal to acquire another Georgia hospital system in July 2021.^{64 65} Atrium Health now plans to become the fifth largest hospital system in the country by merging

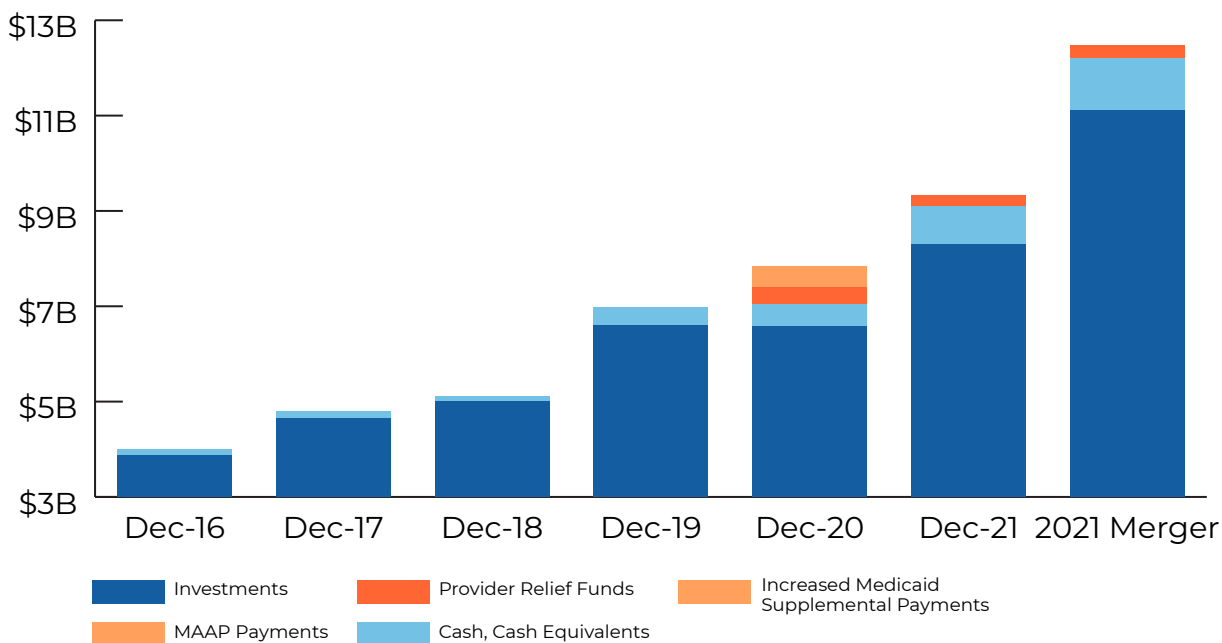
with Advocate Aurora Health to create a \$27 billion health behemoth encompassing 67 hospitals.⁶⁶

After Atrium Health’s merger with Wake Forest Baptist Health, the system expanded its cash and financial investments to \$12.5 billion in 2021. Combined, the systems enjoyed a \$1.7 billion net profit in 2021 after accepting \$632.4 million in COVID relief.⁶⁷

Atrium’s net profits during 2020 would have been even higher if not for the merger with Wake Forest Baptist Health — which cost \$220 million in accrued expenses — and if investment gains were as high as in 2019. But as its annual financial statement noted, “these decreases were offset somewhat by the recognition of \$254 million of federal stimulus money in 2020.”⁶⁸

“ATRIUM HEALTH CUT CHARITY CARE SPENDING ACROSS ALMOST HALF OF ITS HOSPITALS AND EVEN SUED PATIENTS DURING THE PANDEMIC.”

ATRIUM HEALTH CASH AND FINANCIAL INVESTMENTS¹⁵⁷



NOVANT HEALTH

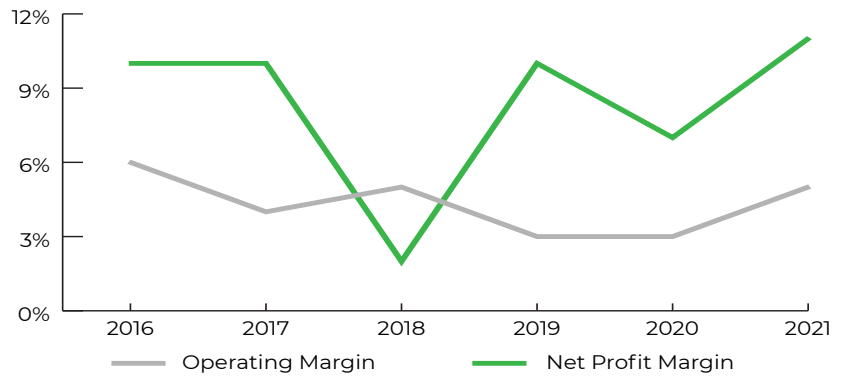
Novant Health thrived financially during the pandemic. The system recorded a \$1.6 billion growth in cash and investments from 2019 to 2021. Unlike rural hospitals, Novant Health enjoyed the luxury of a record growth in its investments in equities, hedge funds and Wall Street, rather than liquidating them to pay for immediate expenses.⁶⁹

Among North Carolina hospitals, Novant Health received the second largest payout of federal taxpayer dollars. It cashed in on \$261.4 million in COVID relief and another \$373.7 million in MAAP dollars, despite being far more prepared to face

the pandemic than small and rural hospitals.^{70 71}

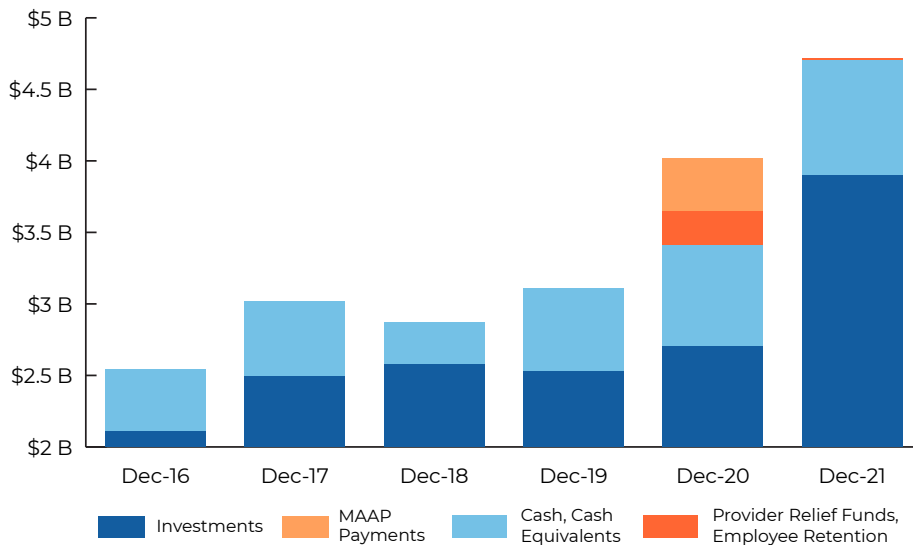
Novant Health ended 2021 with \$4.7 billion in cash and investments.⁷² The system kept enough cash on hand to operate for more than nine months, or 288 days, without receiving any revenue.⁷³ ⁷⁴ In contrast, rural hospitals dependent on Medicare had less than a month's cash on hand, or enough to operate for only 28.4 days without additional revenue.⁷⁵

NOVANT HEALTH PROFIT MARGINS¹⁵⁸



Novant Health recorded a net profit of \$812 million in 2021, compared to the annual average of \$377 million from 2016 to 2019. Even when patient revenue declined in 2020, Novant Health reaped a \$382.2 million net profit. At the same time, operating expenses only grew \$214.8 million from 2019 to 2020, compared to the previous annual average of a \$399.4 million growth from 2016 through 2019.⁷⁶

NOVANT HEALTH CASH AND FINANCIAL INVESTMENTS¹⁵⁹



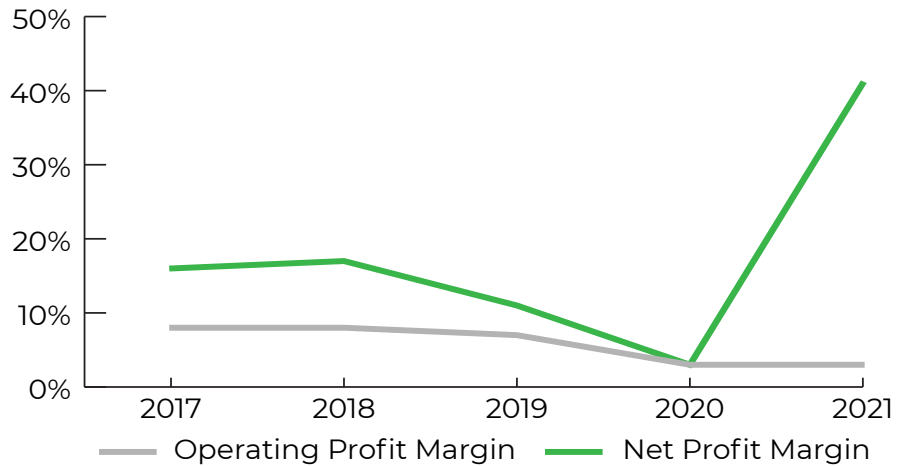
Despite Novant's huge windfall in cash and investments in 2020, its charity care did not keep pace. The pandemic threw hundreds of thousands of North Carolinians out of work, but Novant's charity care spending rose by just \$57.5 million from 2019 to 2020 across the system's 10 hospitals.⁷⁷ ⁷⁸ That equals only 6% of the system's \$921.4 million growth in cash and investments during that same period.⁷⁹

DUKE HEALTH

Duke Health recorded a 41% net profit margin in 2021. That profit margin dwarfs those of most industries, including tobacco and investment banking.⁸⁰ Duke did not make most of its \$1.8 billion net profit on patient care in 2021. It made its profits on the stock market, private equity and taxpayer-funded relief.⁸¹

Duke Health collected \$180.1 million in COVID relief and another \$282.1 million in MAAP dollars in 2020 to 2021.⁸² Duke Health's investment portfolio includes about 65% of the funds in riskier assets, including hedge funds and private equities. While Duke Health

DUKE HEALTH PROFIT MARGINS¹⁶¹

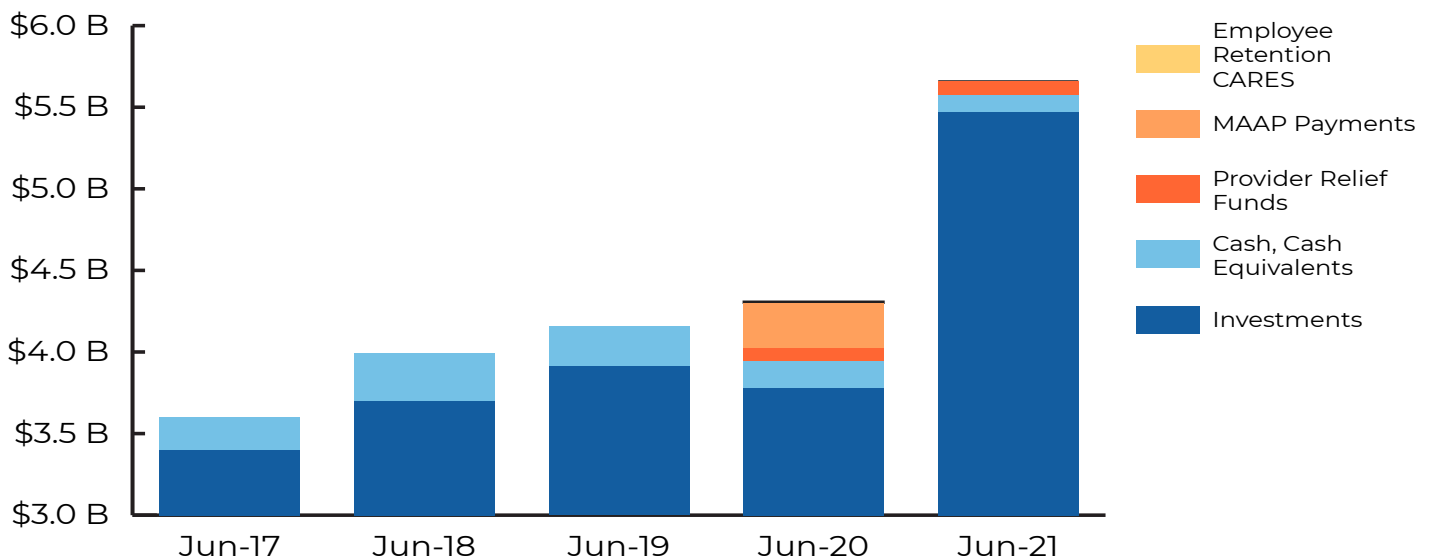


enjoyed an influx of taxpayer dollars, the investment risk yielded a \$1.5 billion growth in cash and investments from June 2019 to 2021.⁸³

Unlike rural hospitals, Duke Health had more than \$4 billion in cash and investments to protect itself in 2020 when it accepted the federal money. The pandemic hit Duke Health's operating rev-

enue and more than halved the system's operating profits from 7% in 2019 to 3% in 2020.⁸⁴ But Duke Health did not suffer financially due to its investments. Duke was enriched as both the stock market and private equity soared during the pandemic, despite economic turmoil with the coronavirus and associated lockdowns.^{85 86}

DUKE HEALTH CASH AND FINANCIAL INVESTMENTS¹⁶⁰



UNC HEALTH

Taxpayer dollars helped give UNC Health a record net profit of \$891.1 million and a net profit margin of 18% in 2021. UNC Health received the fourth highest amount of COVID-19 taxpayer relief in North Carolina, collecting \$145.4 million in taxpayer-funded COVID relief and \$305 million in MAAP dollars.⁸⁷

But this relief and profits did not trickle down to disadvantaged patients.⁸⁸ In 2020, six UNC hospitals billed \$77.3 million to poor patients who should have received charity care — an 11% increase from \$69.8 million in 2019. All but one of these six hospitals reported that bills to impoverished patients accounted for a majority of their bad debt.⁸⁹ At the same time, charity care dropped across four of UNC Health’s 10 hospitals in 2020.⁹⁰

The system enlarged its profits even though the system’s margins on patient care dropped. While operating income plunged to \$35.7 million in 2020, operating profit margins rebounded to \$183.9 million in 2021. After nonpatient revenue such as

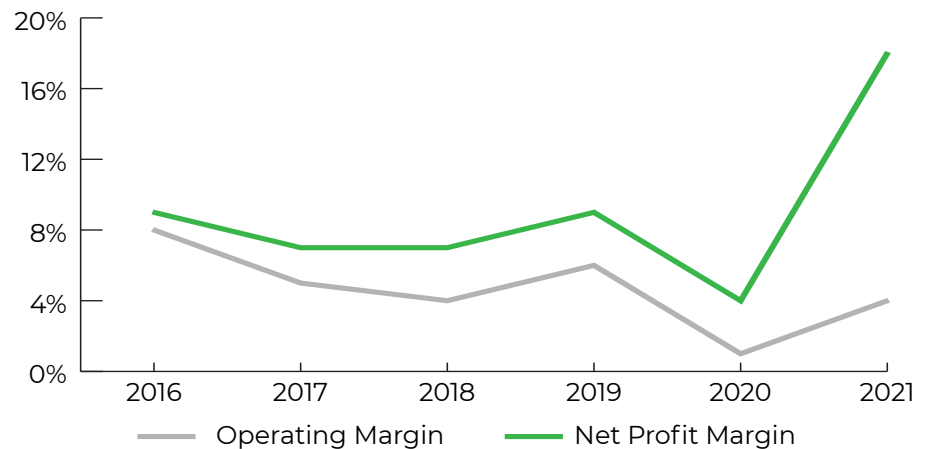
investments, UNC Health’s net profit in 2021 was almost three times its pre-pandemic average from 2016-2019.⁹¹

UNC Health’s initial decrease in operating income did not prevent it from achieving a \$503.7 million jump in cash and investments from 2019 to June 2020. This jump in cash and investments was six times larger than the

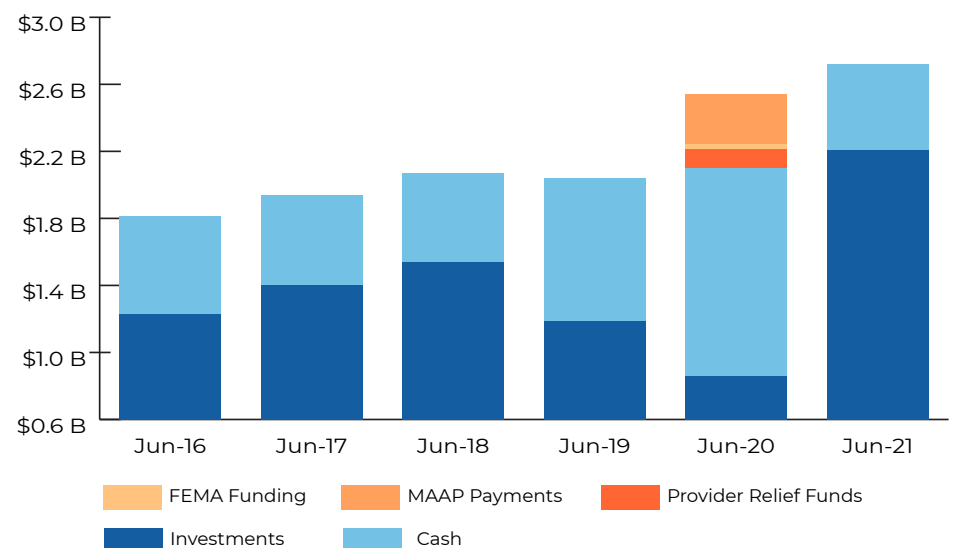
pre-pandemic annual average from 2016 to 2019.⁹²

Unlike smaller hospitals, UNC Health had sizable cash and investments to offset a sharp decline in operating profits in 2020.⁹³ UNC Health accepted the taxpayer dollars when it had enough cash on hand to stay open for more than 200 days without any additional revenue.⁹⁴

UNC HEALTH PROFIT MARGINS¹⁶³



UNC HEALTH CASH AND FINANCIAL INVESTMENTS¹⁶²



CONE HEALTH

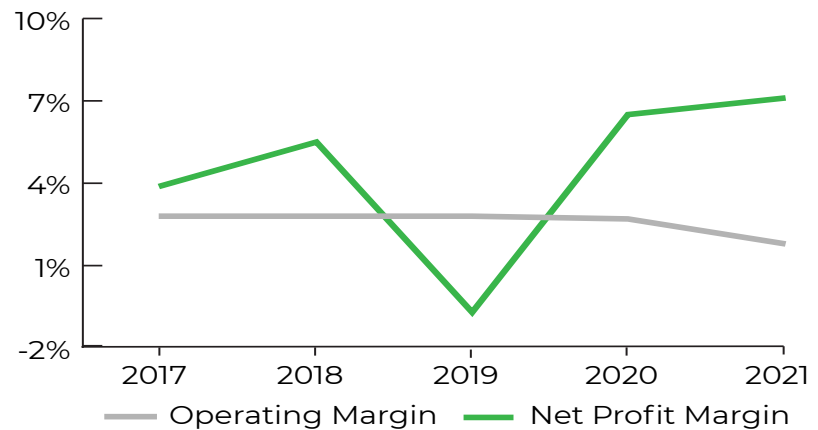
As the pandemic cut into hospital revenues across the nation, Cone Health recorded two of its most profitable years in the past five years — further strengthening its advantages over smaller and rural hospitals.^{95 96} COVID relief dollars helped protect that financial position after Cone Health took \$89.3 million in taxpayer-funded relief and another \$140.4 million in MAAP dollars.⁹⁷

While operating margins narrowed, Cone Health’s net profit margins jumped by 6.5% to \$149.6 million in 2020 and then passed 7% to \$178 million in 2021 — more

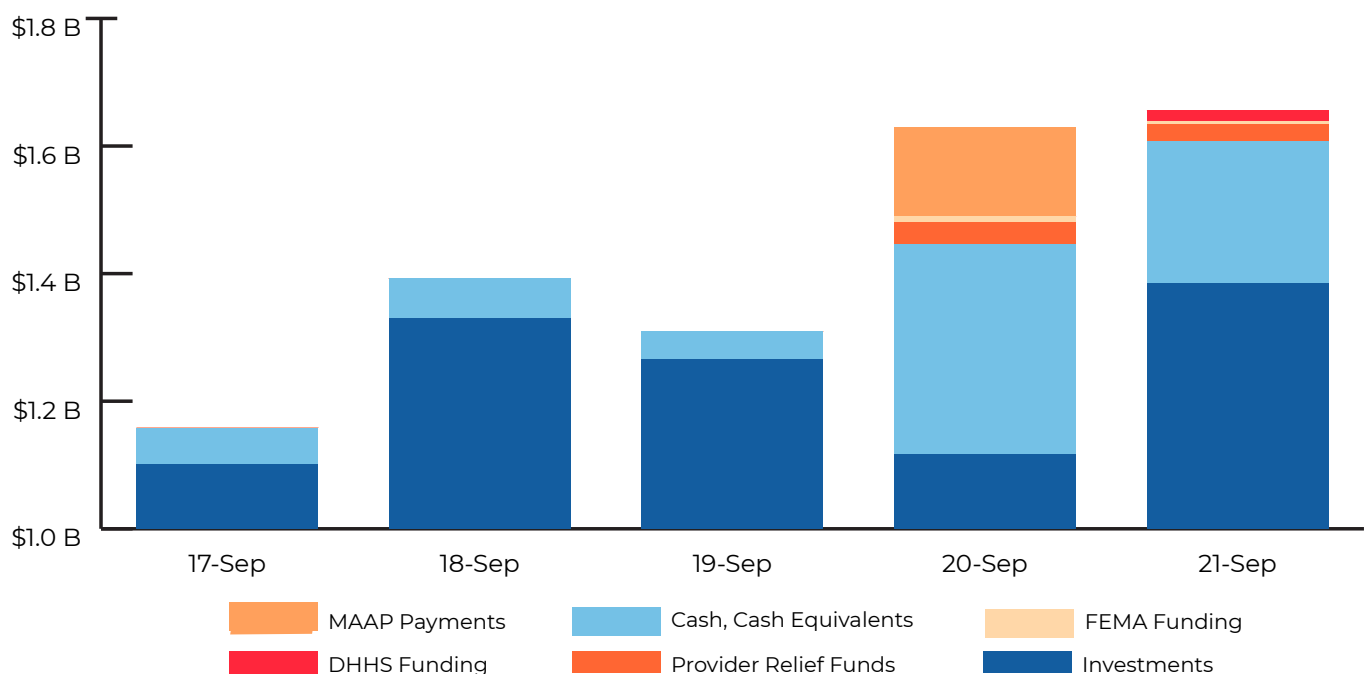
than twice their average level from 2017 to 2019. The system’s growth in cash and investments ballooned with the stock market gains and equity growth. Cone Health was able to enjoy this record growth while taking taxpayer-funded relief meant for struggling hospitals.^{98 99}

When it accepted that COVID relief, Cone Health enjoyed enough cash on hand to continue operating for 206 days, more than half a year without any incoming revenue.¹⁰⁰ This put Cone Health in a position roughly 10 times stronger than that of many rural hospitals.¹⁰¹

CONE HEALTH PROFIT MARGIN¹⁶⁵



CONE HEALTH CASH AND FINANCIAL INVESTMENTS¹⁶⁴



VIDANT HEALTH

Low and negative operating margins did not stop Vidant Health from enjoying record profits during the pandemic. Vidant Health’s net profit was almost six times higher in 2021 than in pre-pandemic 2019. Like other North Carolina systems, Vidant Health took millions of COVID relief dollars and benefited as Wall Street neared record-highs in trading and closing.^{102 103 104}

Even as operating margins plummeted, Vidant Health’s net profit margins soared during the pandemic. Vidant Health recorded a 492% increase in its net profits, from \$38.6 million in 2019 to \$228.3 million in 2021. Net profit margins jumped to 10.4% in 2021 — compared to its pre-pandemic net profit margin of 2% in 2019. Vidant Health achieved its highest net profit margins in six years.¹⁰⁵

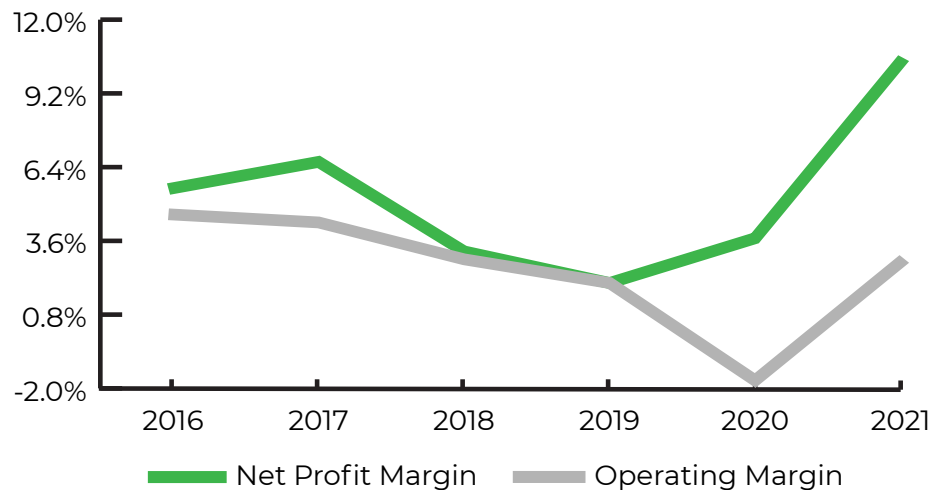
After Vidant Health took \$155.7 million in COVID relief, the system experienced a \$228.6 million growth in cash and investments from 2019 to 2021. This growth helped offset its weak operating margins. Vidant Health was the only North Carolina system analyzed to record negative margins on patient care in 2020.¹⁰⁶ This was primarily driven by a sharp decline in revenue growth, as its hospitals froze elective surgeries and patients delayed care during the pandemic. The sys-

tem responded by laying off 191 employees in March of 2020.¹⁰⁷ During that same year, its net profit margin surpassed the margins of the previous two years.¹⁰⁸

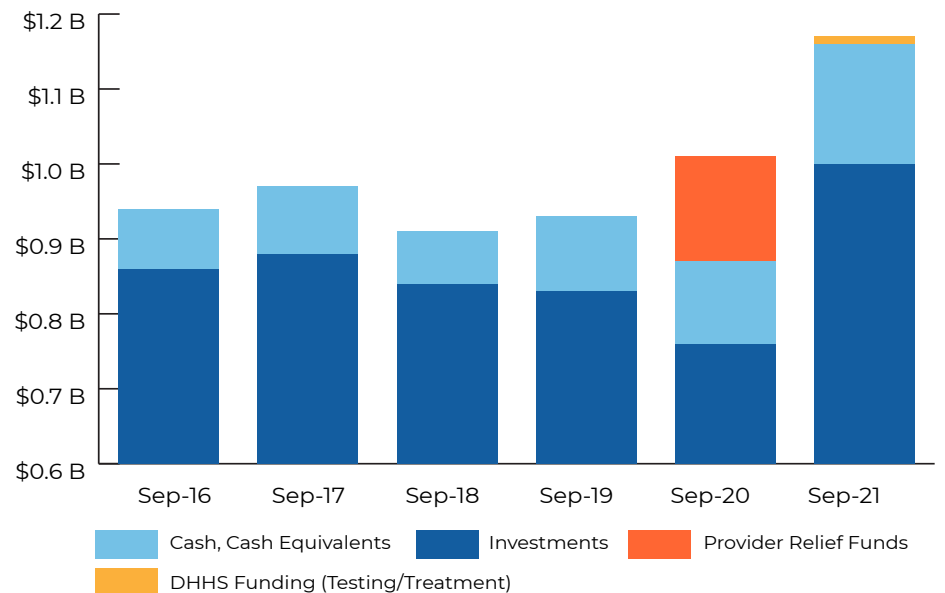
Vidant Health is also now being sued over alleged deceptive billing and coercive debt collection practices.¹⁰⁹ In addition, the system recently announced a joint operating agreement

with the Brody School of Medicine to create the new collaborative ECU Health in 2021.¹¹⁰ Joint operating agreements are often called “virtual mergers.”¹¹¹ They “ignite antitrust concerns” because of the collaboration of competitors, according to the global law firm McGuire Woods.¹¹² Hospital mergers increase costs and reduce the quality of care.^{113 114}

VIDANT HEALTH PROFIT MARGINS¹⁶⁷



VINDANT HEALTH CASH AND FINANCIAL INVESTMENTS¹⁶⁶

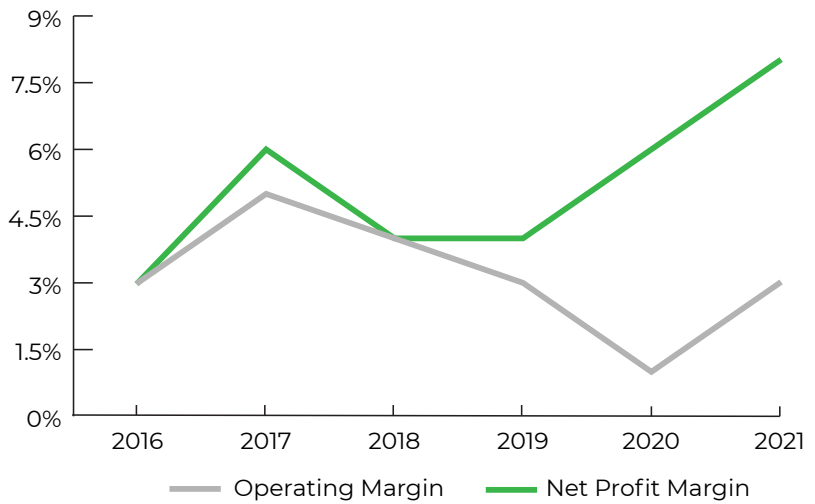


WAKEMED

After accepting taxpayer-funded COVID relief dollars, WakeMed Health and Hospitals achieved a record growth in cash and investments, as well as the highest net profits in five years. WakeMed Health netted a \$278.1 million growth in cash and investments in 2020 compared to 2019 — nine times the average yearly increase from 2016 through 2019. By 2021, WakeMed Health’s \$136 million net profit was almost three times the size of its 2019 profit.¹¹⁵

Despite WakeMed Health’s rising labor and supply costs, investment gains still outpaced operating expenses. Operating expenses rose by \$219.1 million from 2020 to

WAKEMED HEALTH PROFIT MARGINS¹⁶⁸

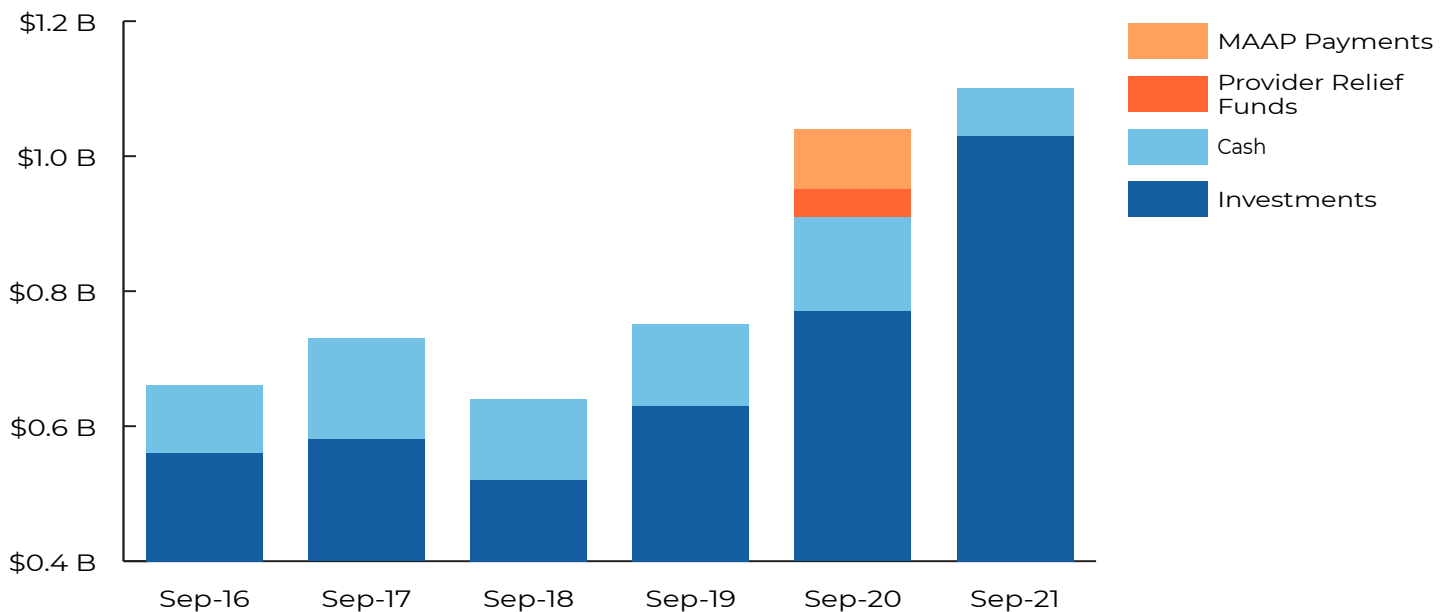


2021, compared to the previous increase of \$111.7 million in 2019.¹¹⁶

WakeMed Health’s cash and investments grew by 47.2% from 2019 to 2021. This helped drive the system’s net profits to 8% in 2021, higher than the national weighted average of 6.5% in 2019.^{117 118}

While WakeMed Health took the least taxpayer money of North Carolina hospital systems analyzed for this report, they did obtain \$36.7 million in COVID relief and another \$89 million in MAAP dollars. WakeMed Health never recorded negative operating margins during the pandemic.^{119 120}

WAKEMED HEALTH CASH AND FINANCIAL INVESTMENTS¹⁶⁹



DISCUSSION

After taking millions of taxpayer-funded relief dollars, seven hospital systems collected \$7.1 billion in cash and investments growth from Wall Street, equities and hedge funds, while health care workers suffered on the front lines. Experts fear the disproportionate distribution of taxpayer dollars will harm patients by driving consolidation, raising prices and lowering quality.^{121 122 123 124 125 126 127 128 129 130 131}

The Treasurer and the State Health Plan have a duty to protect taxpayer dollars and to safeguard state employees' access to affordable care. Due to underfunding and increasing health care costs, the State Health Plan is facing a \$5.6 billion shortfall over the next five years.¹³² Reports from the State Auditor's office warned the State Health Plan is at risk of overpaying patient bills due to a crippling lack of hospital price transparency.¹³³

When the State Health Plan discovered that certain hospitals were billing impoverished patients rather than providing charity care, the North Carolina Healthcare Association and hospital systems deflected attention to lost revenue and narrowed operating margins caused by the pandemic. They ar-

gued that criticizing hospitals during the pandemic was "potentially dangerous," writing that "hospitals are now spending needed reserves to fight the virus, affecting their ability to float their organizations in hard times and invest in new capital and equipment. This is having a ripple effect."¹³⁴

An analysis of financial statements shows that this statement is inaccurate across North Carolina's seven major hospital systems. These systems did not have to spend down their reserves

"North Carolina must join the push for reform."

because they took hundreds of millions of taxpayer-funded federal relief dollars. Instead, North Carolina's seven dominant hospital systems raked in \$5.2 billion in net profits in 2021. All but one of these hospital systems even achieved higher net profit margins than before the pandemic, and Duke Health even boasted a 41% net profit margin in 2021.¹³⁵

None of these nonprofit systems pay local, state or federal taxes. North Carolinians helped give these systems more than \$1.8 billion in tax breaks to care for disadvantaged patients and to hon-

or their charitable mission. But there is little accountability to prevent hospitals from placing profits above patients.¹³⁶ Nationally, the American Hospital Association continues to urge Congress to give hospitals still more taxpayer dollars.¹³⁷

The failure of federal oversight and standards over nonprofit hospitals has caused states to champion the push for accountability. Utah and Illinois require hospitals to equal property tax exemptions with community benefits. Oregon and Nevada created a threshold for community benefit spending, while California broadened patients' access to charity care and Pennsylvania defined standards.¹³⁸ New Jersey required hospitals to contribute to local gov-

ernments otherwise unsupported by hospital tax revenue, an approach also taken by some local governments across the country.^{139 140 141}

North Carolina must join the push for reform. Without legislative action, the hospital profits fueled by taxpayer dollars are expected to drive consolidation and price inflation.^{142 143} The state has sacrificed billions of dollars in lost tax revenue to grant tax exemptions to nonprofit hospitals, but policymakers have not ensured that North Carolinians received sufficient community benefits in return.¹⁴⁴

While the state watched dominant hospital systems collect millions from taxpayer-funded relief and tax exemptions, the state's own health plan is facing insolvency due to high costs charged by the same dominant providers that took billions in taxpayer-funded relief. Recent projections provided to members of the State Health Plan's Board of Trustees show that the State

Health Plan's cash reserves will fall below the legally required threshold of reserves in 2024, and there will be a negative cash balance by 2025. Without a cash infusion from the legislature or price relief from hospitals, the State Health Plan will be unable to meet its legal obligations to pay for the health care claims of more than 545,000 North Carolinians.¹⁴⁵

Wealthy hospital systems should commit to lowering their prices and to supporting legislation to guarantee sufficient community benefits — or they could return unnecessary, taxpayer-funded relief dollars. More accountability is desperately needed in North Carolina. Taxpayers, state employees and patients cannot afford to wait any longer for reforms.

DAYS CASH ON HAND	2021	2020	2019
ATRIUM HEALTH	393	409	362
DUKE HEALTH	N/A	N/A	N/A
NOVANT HEALTH	275	288	234
CONE HEALTH	226	261	206
UNC HEALTH	N/A	N/A	~200
VIDANT HEALTH	192	175	164
WAKEMED HEALTH	N/A	223	N/A

Days Cash on Hand is drawn from hospital systems' quarterly bond filings, financial disclosures or estimates by rating agencies.^{146 147 148 149 150 151 152 153 154 155}

ACKNOWLEDGEMENTS

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Appendix A

Atrium Health

Cash and Financial Investments

	Atrium - WFBH Enterprise 2021	Atrium CMHA Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Cash and Cash Equivalents	\$1,132,079,000	\$799,598,000	\$468,417,000	\$377,391,000	\$86,528,000	\$136,199,000	\$142,725,000
Investments	\$11,099,293,000	\$8,304,522,000	\$6,580,639,000	\$6,599,620,000	\$5,005,561,000	\$4,645,469,000	\$3,874,431,000
Provider Relief Funds	\$274,400,000	\$231,000,000	\$343,991,000				
Increased Medicaid Supplemental Payments			\$14,000,000				
MAAP Payments			\$437,846,000				
	\$12,505,772,000	\$9,335,120,000	\$7,844,893,000	\$6,977,011,000	\$5,092,089,000	\$4,781,668,000	\$4,017,156,000

AFS, Atrium Health (The Charlotte-Mecklenburg Hospital Authority)

Consolidated Income Statement

	Atrium - WFBH Enterprise Dec-21	Atrium CMHA Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Patient Service Revenue	\$11,092,481,000	\$8,120,786,000	\$6,520,536,000	\$6,750,656,000	\$6,359,859,000	\$5,402,741,000	\$5,136,830,000
Other Revenue	\$1,843,372,000	\$851,750,000	\$1,066,143,000	\$729,696,000	\$659,208,000	\$588,693,000	\$539,343,000
Operating Revenue	\$12,935,853,000	\$8,972,536,000	\$7,586,679,000	\$7,480,352,000	\$7,019,067,000	\$5,991,434,000	\$5,676,173,000
Personnel Costs	\$7,410,086,000	\$5,119,128,000	\$4,406,454,000	\$4,197,447,000	\$4,017,874,000	\$3,464,397,000	\$3,307,602,000
Other Expenses	\$4,666,901,000	\$3,136,641,000	\$2,695,503,000	\$2,529,178,000	\$2,437,107,000	\$1,987,112,000	\$1,865,028,000
Depreciation and Amortization	\$532,570,000	\$394,488,000	\$363,433,000	\$367,294,000	\$364,145,000	\$310,923,000	\$300,127,000
Operating Expenses	\$12,609,557,000	\$8,650,257,000	\$7,465,390,000	\$7,093,919,000	\$6,819,126,000	\$5,762,432,000	\$5,472,757,000
Operating Income	\$326,296,000	\$322,297,000	\$121,289,000	\$386,433,000	\$199,941,000	\$229,002,000	\$203,416,000
Non Operating Income	\$1,384,911,000	\$830,981,000	\$479,985,000	\$774,793,000	\$(375,996,000)	\$589,148,000	\$265,435,000
Net Income	\$1,711,207,000	\$1,153,260,000	\$601,274,000	\$1,161,226,000	\$(176,055,000)	\$818,150,000	\$468,851,000

Annual Consolidated Income Statements Reported

non-operating income includes \$181,510,000 in stimulus

Reclass \$305,526,000 of stimulus

Navicent consolidated

UCL \$384 Million

Atrium Health

	Atrium-WFBH Enterprise 2021	Atrium CMHA 2021	2020	2019	2018	2017	2016
Operating Profit Margin	3%	4%	2%	5%	3%	4%	4%
Net Profit Margin	13%	13%	8%	16%	-3%	14%	8%

Asset allocation reported on
Audited Financial Statements,
and not included on Quarterly
or Monthly Financial Reports

2021	Atrium - WFBH Enterprise		Atrium - WFBH Enterprise (Balance Sheet)		Total Cash and Investments
	Atrium - WFBH Enterprise	Atrium - WFBH Enterprise (Balance Sheet)	Atrium - WFBH Enterprise (Balance Sheet)	Atrium - WFBH Enterprise	
Cash and Cash Equivalents (Balance Sheet)		\$1,132,079,000	\$1,132,079,000		\$1,132,079,000
Global Asset Allocation Funds					\$-
Short-Term Investments	\$951,520,000				\$951,520,000
Fixed Income Investments	\$2,687,485,000				\$2,687,485,000
Equities	\$5,000,027,000				\$5,000,027,000
Hedge Funds					\$-
Private Equity	\$108,147,000				\$108,147,000
Commodities	\$352,121,000				\$352,121,000
Absolute Return Funds	\$1,832,172,000				\$1,832,172,000
Trusts	\$23,242,000				\$23,242,000
Pooled Investments	\$2,162,000				\$2,162,000
Other	\$225,630,000				\$225,630,000
Equity Affiliates	\$180,440,000				\$180,440,000
Real Estate	\$10,747,000				\$10,747,000
	\$11,373,693,000				\$12,505,772,000

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Total

Balance Sheet	Atrium - WFBH Enterprise
Cash and Cash Equivalents	\$1,136,105,000
Short Term Investments	\$50,868,000
Assets Limited to Use - In-vestments	\$47,321,000
Non-current Investments	\$11,275,504,000
	\$12,509,798,000

Atrium Health

Financial Asset Allocation **Atrium Health** **Atrium Health**
2021 **CMHA** **CMHA (Balance Sheet)** **Total Cash and Investments**

Cash and Cash Equivalents (Balance Sheet)		\$799,598,000	\$799,598,000
Global Asset Allocation Funds			
Short-Term Investments	\$788,714,000		\$788,714,000
Fixed Income Investments	\$2,124,557,000		\$2,124,557,000
Public Equities	\$4,224,935,000		\$4,224,935,000
Hedge Funds			
Private Equity	\$83,422,000		\$83,422,000
Commodities	\$318,313,000		\$318,313,000
Absolute Return Funds	\$898,646,000		\$898,646,000
Trusts			
Pooled Investments			
Other	\$3,550,000		\$3,550,000
Equity Affiliates	\$93,385,000		\$93,385,000
Real Estate			

Total: \$8,535,522,000 **\$9,335,120,000**

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Total

Balance Sheet	Atrium Health CMHA
Cash and Cash Equivalents	\$799,598,000
Short Term Investments	\$39,326,000
Assets Limited to Use - Investments	\$47,321,000
Non-current Investments	\$8,355,490,000

Novant Health

Cash and Financial

Investments

	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Cash and Cash Equivalents	\$795,602,000	\$771,822,000	\$575,259,000	\$293,350,000	\$534,485,000	\$429,702,000
Investments	\$3,904,634,000	\$2,701,471,000	\$2,530,605,000	\$2,577,632,000	\$2,488,978,000	\$2,106,293,000
Provider Relief Funds and Employee Retention Credit	\$21,151,000	\$240,224,000				
MAAP Payments		\$373,718,000				
	\$4,721,387,000	\$4,027,235,000	\$3,105,864,000	\$2,870,982,000	\$3,023,463,000	\$2,535,995,000

AFS, Novant Health and Affiliates

Consolidated Income

Statement

	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Patient Service Revenue	\$6,811,318,000	\$5,052,794,000	\$5,055,436,000	\$4,697,425,000	\$4,319,314,000	\$4,308,993,000
Other Revenue	\$584,828,000	\$629,981,000	\$379,509,000	\$288,451,000	\$276,078,000	\$235,665,000
Operating Revenue	\$7,396,146,000	\$5,682,775,000	\$5,434,945,000	\$4,985,876,000	\$4,595,392,000	\$4,540,123,000
Salaries, Wages, Benefits	\$3,924,166,000	\$3,083,108,000	\$3,023,877,000	\$2,736,346,000	\$2,543,037,000	\$2,290,877,000
Medical Supplies	\$2,685,642,000	\$2,073,090,000	\$1,910,059,000	\$1,657,375,000	\$1,568,236,000	\$1,456,401,000
Interest	\$77,696,000	\$78,022,000	\$79,292,000	\$70,318,000	\$68,719,000	\$81,832,000
Depreciation and Amortization	\$339,633,000	\$260,051,000	\$266,233,000	\$249,634,000	\$240,961,000	\$252,238,000
Other Operating Expenses	\$-	\$-				
Operating Expenses	\$7,027,137,000	\$5,494,271,000	\$5,279,461,000	\$4,713,673,000	\$4,420,953,000	\$4,081,348,000
Operating Income	\$369,009,000	\$188,504,000	\$155,484,000	\$272,203,000	\$174,439,000	\$258,775,000
Non Operating Income	\$442,987,000	\$193,651,000	\$367,998,000	\$(178,191,000)	\$303,431,000	\$154,030,000
Net Income	\$811,996,000	\$382,155,000	\$523,482,000	\$94,012,000	\$477,870,000	\$412,805,000

Annual Consolidated Income Statements Reported

Novant Health

	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Operating Margin	5%	3%	3%	5%	4%	6%
Net Income Margin	11%	7%	10%	2%	10%	10%

Financial Asset Allocation 2021

	Dec-21
Cash and Cash Equivalents	22%
Short-Term Investments	9%
US Equities	15%
International Equities	10%
Fixed Income - Gov't Securities	12%
Fixed Income - Corporate Securities	2%
Hedge Funds	10%
Private Equity	7%
Emerging Markets	4%
Real Estate and Other	8%

Balance Sheet	Dec-21	Dec-20
Cash	\$795,602,000	\$711,822,000
Short-Term Investments	\$411,440,000	\$330,742,000
Investments	\$3,514,345,000	\$2,984,671,000
AFS, Page 3 (Dec 2021)	\$4,721,387,000	\$4,027,235,000

Dec-21

Cash and Cash Equivalents	\$1,045,708,000
Short-Term Investments	\$411,440,000
US Equities	\$712,455,000
International Equities	\$476,106,000
Fixed Income - Gov't Securities	\$577,741,000
Fixed Income - Corporate Securities	\$114,275,000
Hedge Funds	\$473,291,000
Private Equity	\$309,150,000
Emerging Markets	\$210,144,000
Real Estate and Other	\$391,077,000

AFS, Page 21 (Dec 2020)

\$4,721,387,000

Duke Health

Cash and Financial Investments

	Dec-21	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17
Cash and Cash Equivalents	\$93,031,000	\$98,528,000	\$157,803,000	\$250,947,000	\$291,439,000	\$196,234,000
Investments	\$5,493,679,000	\$5,471,784,000	\$3,777,043,000	\$3,910,063,000	\$3,696,349,000	\$3,403,791,000
Provider Relief Funds		\$89,900,000	\$83,470,000			
MAAP Payments		\$-	\$282,129,000			
Employee Retention Credit CARES		\$1,810,000	\$4,930,000			
	\$5,586,710,000	\$5,662,022,000	\$4,305,375,000	\$4,161,010,000	\$3,987,790,018	\$3,600,027,017

Dec 2021 Quarterly Filing

AFS, Duke University Health Systems and Affiliates

Assets limited to use
reduction not reported

Consolidated Income Statement

	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17
Patient Service Revenue	\$3,967,396,000	\$3,669,150,000	\$3,631,391,000	\$3,394,589,000	\$3,168,100,000
Other Revenue	\$302,102,000	\$282,396,000	\$205,395,000	\$203,291,000	\$196,624,000
Operating Revenue	\$4,269,498,000	\$3,951,546,000	\$3,836,786,000	\$3,597,880,000	\$3,364,724,000
Salaries, Wages, Benefits	\$2,029,617,000	\$1,874,479,000	\$1,711,393,000	\$1,570,877,000	\$1,491,281,000
Medical Supplies	\$1,147,452,000	\$999,746,000	\$934,185,000	\$846,451,000	\$771,616,000
Interest	\$24,081,000	\$39,334,000	\$55,445,000	\$58,824,000	\$37,251,000
Depreciation and Amortization	\$176,919,000	\$168,406,000	\$162,958,000	\$160,763,000	\$155,112,000
Other Operating Expenses	\$770,720,000	\$744,681,000	\$711,077,000	675610000	634133000
Operating Expenses	\$4,148,789,000	\$3,826,646,000	\$3,575,058,000	\$3,312,525,000	\$3,089,393,000
Operating Income	\$120,709,000	\$124,900,000	\$261,728,000	\$285,355,000	\$275,331,000
Non-Operating Income & Expense	\$1,638,508,000	\$(2,677,000)	\$175,237,000	\$342,162,000	\$277,252,000
Net Income	\$1,759,217,000	\$122,223,000	\$436,965,000	\$627,517,000	\$552,583,000

Duke Health

	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17
Operating Profit Margin	3%	3%	7%	8%	8%
Net Profit Margin	41%	3%	11%	17%	16%

AFS, Duke University Health Systems and Affiliates

URG \$1.6 billion

Annual Consolidated Income Statements Reported

Financial Asset Allocation 2021

Cash and Cash Equivalents	1.7%
Global Asset Funds	0.0%
Short-Term Investments	13.9%
Fixed Income Investments	10.3%
Equities	15.3%
Hedge Funds	21.6%
Private Equity	27.5%
Real Property Funds	7.8%
Other	2.0%

Jun-21

Cash and Cash Equivalents	\$98,528,000
Global Asset Funds	\$300,000
Short-Term Investments	\$784,259,000
Fixed Income Investments	\$582,332,000
Equities	\$863,768,000
Hedge Funds	\$1,224,911,000
Private Equity	\$1,555,117,000
Real Property Funds	\$440,782,000
Other	\$112,025,000

AFS, Page 24 (June 2021)

\$5,662,022,000

Balance Sheet

Cash	\$98,528,000
Short-Term Investments	\$770,256,000
Investments	\$4,691,913,000
Assets limited as to use, current	\$92,307,000
Assets limited as to use, noncurrent	\$13,167,000
Receivables and Other Assets included	\$(4,149,000)

AFS, Page 3 (June 2021)

\$5,662,022,000

Asset allocation reported on Audited Financial Statements, and not included on Quarterly or Monthly Financial Reports

UNC Healthcare System

Cash and Financial

Investments	Restated					
	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17	Jun-16
Cash	\$513,741,000	\$1,240,443,000	\$854,915,000	\$530,226,000	\$539,981,000	\$576,366,000
Investments	\$2,206,337,952	\$862,850,889	\$1,192,871,000	\$1,543,731,000	\$1,395,665,000	\$1,229,436,000
Provider Relief Funds		\$110,452,563				
FEMA Funding	\$2,123,048	\$32,803,438				
MAAP Payments		\$304,971,110				
	\$2,722,202,000	\$2,551,521,000	\$2,047,786,000	\$2,073,957,000	\$1,935,646,000	\$1,805,802,000

UNC Annual Report (Not Audited Financial Statements)

Consolidated Income

Statement	Restated					
	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17	Jun-16
Patient Service Revenue	\$4,533,728,000	\$4,027,810,000	\$3,992,753,000	\$3,661,581,000	\$3,686,184,000	\$3,369,075,000
Other Revenue	\$516,917,000	\$355,893,000	\$214,448,000	\$249,488,000	\$225,293,000	\$189,212,000
Operating Revenue	\$5,050,645,000	\$4,383,703,000	\$4,207,236,000	\$3,911,069,000	\$3,911,477,000	\$3,558,287,000
Salaries, Wages, Benefits	\$2,701,261,000	\$2,530,604,000	\$2,329,960,000	\$2,215,030,000	\$2,138,518,000	\$1,887,756,000
Medical Supplies	\$1,124,505,000	\$932,392,000	\$870,449,000	\$773,871,000	\$747,209,000	\$669,639,000
Contracted Services	\$582,176,000	\$463,272,000	\$362,207,000	\$380,487,000	\$402,238,000	\$377,618,000
Other Supplies and Services	\$286,500,000	\$242,509,000	\$207,122,000	\$211,037,000	\$240,325,000	\$183,970,000
Depreciation and Amortization	\$145,294,000	\$150,618,000	\$145,738,000	\$145,521,000	\$166,057,000	\$161,802,000
Interest Expense	\$26,995,000	\$28,598,000	\$21,147,000	\$22,620,000	\$22,151,000	\$8,274,000
						\$72,065,000
Operating Expenses	\$4,866,731,000	\$4,347,993,000	\$3,936,623,000	\$3,748,566,000	\$3,716,498,000	\$3,289,059,000
Operating Income	\$183,914,000	\$35,710,000	\$270,613,000	\$162,503,000	\$194,979,000	\$269,228,000
Non Operating Income	\$707,218,000	\$128,049,000	\$99,278,000	\$124,755,000	\$89,075,000	\$34,512,000
Net Income	\$891,132,000	\$163,759,000	\$369,891,000	\$287,258,000	\$284,054,000	\$303,740,000

UNC Healthcare System

	Jun-21	Restated Jun-20	Jun-19	Jun-18	Jun-17	Jun-16
Operating Margin	4%	1%	6%	4%	5%	8%
Net Income Margin	18%	4%	9%	7%	7%	9%

2021 Non operating
income includes
\$638,570,000
Investment Income

Financial Asset Allocation 2021

	Jun-21	Restated Jun-20
Cash and Cash Equivalents	19%	49%
Short Term Investment Fund STIF	6%	11%
UNC Investment Fund	76%	40%

Balance Sheet

	Jun-21	Restated Jun-20
Cash and Short Term Investment Fund (STIF)	\$513,741,000	\$1,240,443,000
Restricted Current Investments	\$151,842,000	\$283,471,000
UNC Investment Fund	\$2,056,619,000	\$1,027,607,000

UNC Annual
Report, Page 458
(Jun 2021)

\$2,722,202,000 \$2,551,521,000

Other Non-
current Assets
not included in
Investments.

Vidant Health

Cash and Financial

	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
Cash and Cash Equivalents	\$156,606,000	\$111,868,000	\$99,086,000	\$67,369,000	\$92,018,000	\$79,439,000
Investments	\$996,798,000	\$762,165,000	\$834,503,000	\$837,336,000	\$877,218,000	\$863,582,000
Provider Relief Funds		\$143,500,000				
DHHS Funding (Testing and Treatment)	\$8,800,000	\$3,400,000			-	
MAAP Payments						
	\$1,162,204,000	\$1,020,933,000	\$933,589,000	\$904,705,000	\$969,236,000	\$943,021,000

AFS, Vidant Health

Consolidated Income

Statement	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
Patient Service Revenue	\$2,058,138,000	\$1,883,181,000	\$1,879,969,000	\$1,704,875,000	\$1,622,434,000	\$1,570,832,000
Other Revenue	\$136,407,000	\$91,454,000	\$87,935,000	\$77,745,000	\$70,718,000	\$74,007,000
Operating Revenue	\$2,194,545,000	\$1,974,635,000	\$1,967,904,000	\$1,782,620,000	\$1,693,152,000	\$1,644,839,000
Salaries, Wages, Benefits	\$1,148,937,000	\$1,112,548,000	\$1,056,195,000	\$963,793,000	\$924,899,000	\$894,754,000
Medical Supplies	\$876,318,000	\$783,420,000	\$750,343,000	\$647,104,000	\$579,014,000	\$564,837,000
Interest	\$-	\$-	\$-	\$-	\$-	\$-
Depreciation and Amortization	\$86,422,000	\$90,846,000	\$88,544,000	\$89,992,000	\$88,589,000	\$88,007,000
Other Operating Expenses	\$22,288,000	\$21,768,000	\$33,013,000	\$29,207,000	\$28,051,000	\$21,575,000
Operating Expenses	\$2,133,965,000	\$2,008,582,000	\$1,928,095,000	\$1,730,096,000	\$1,620,553,000	\$1,569,173,000
Operating Income	\$60,580,000	\$(33,947,000)	\$39,809,000	\$52,524,000	\$72,599,000	\$75,666,000
Non Operating Income	\$167,735,000	\$106,173,000	\$(1,263,000)	\$4,292,000	\$39,810,000	\$17,210,000
Net Income	\$228,315,000	\$72,226,000	\$38,546,000	\$56,816,000	\$112,409,000	\$92,876,000

Vidant Health

Sep-21

Sep-20

Sep-19

Sep-18

Sep-17

Sep-16

	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
Operating Margin	2.8%	-1.7%	2.0%	2.9%	4.3%	4.6%
Net Income Margin	10.4%	3.7%	2.0%	3.2%	6.6%	5.6%

Annual Consolidated Income Statements Reported

Financial Asset

Allocation 2021

Sep-21

Cash and Cash Equivalents	23%
Corporate Debt and Commercial Paper	9%
US Treasury Securities	7%
US Gov't Backed Securities	7%
Fixed Income Mutual Funds	9%
Equity and Real Asset Mutual Funds	46%

Sep-21

Cash and Cash Equivalents	\$262,073,000
Corporate Debt and Commercial Paper	\$102,026,000
US Treasury Securities	\$75,867,000
US Gov't Backed Securities	\$85,486,000
Fixed Income Mutual Funds	\$107,289,000
Equity and Real Asset Mutual Funds	\$529,463,000
	\$1,162,204,000

AFS, Page 34 (Sep 2021)

Balance Sheet

Sep-21

Cash	\$156,604,000
Current Asset - Restricted	\$10,427,000
Investments	\$995,173,000

AFS, Page 12 (Sep 2021)

\$1,162,204,000

Moses H. Cone Memorial Hospital and Affiliates

Cash and Financial

Investments	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
Cash	\$221,765,000	\$328,671,000	\$43,644,000	\$62,354,000	\$57,808,000
Investments	\$1,385,015,000	\$1,117,190,000	\$1,265,580,000	\$1,330,397,000	\$1,100,768,000
Provider Relief Funds	\$28,100,000	\$34,200,000			
FEMA Funding	\$(6,300,000)	\$9,600,000			
DHHS Funding	\$17,400,000				
MAAP Payments		\$140,400,000			
	\$1,645,980,000	\$1,630,061,000	\$1,309,224,000	\$1,392,751,000	\$1,158,576,000

Moses H Cone Memorial Hospital & Affiliates AFS

Consolidated Income

Statement	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
Patient Service Revenue	\$2,204,566,000	\$2,011,613,000	\$1,983,363,000	\$1,816,020,000	\$1,651,443,000
Other Revenue	\$306,557,000	\$281,981,000	\$211,139,000	\$185,072,000	\$185,122,000
Operating Revenue	\$2,511,123,000	\$2,293,594,000	\$2,194,502,000	\$2,001,092,000	\$1,836,565,000
Salaries, Wages, Benefits	\$1,239,345,000	\$1,110,135,000	\$1,058,547,000	\$995,370,000	\$940,675,000
Medical Supplies	\$488,157,000	\$441,759,000	\$407,461,000	\$354,443,000	\$335,301,000
Contracted Services	\$-	\$-	\$-	\$-	\$-
Other Direct Expenses	\$599,948,000	\$517,313,000	\$514,407,000	\$449,781,000	\$379,264,000
Depreciation and Amortization	\$122,771,000	\$145,802,000	\$132,164,000	\$126,845,000	\$115,467,000
Interest Expense	\$16,010,000	\$15,849,000	\$19,890,000	\$18,406,000	\$14,168,000
Operating Expenses	\$2,466,231,000	\$2,230,858,000	\$2,132,469,000	\$1,944,845,000	\$1,784,875,000
Operating Income	\$44,892,000	\$62,736,000	\$62,033,000	\$56,247,000	\$51,690,000
Non Operating Income	\$133,090,000	\$86,874,000	\$(78,321,000)	\$52,896,000	\$19,161,000
Net Income	\$177,982,000	\$149,610,000	\$(16,288,000)	\$109,143,000	\$70,851,000

Moses H. Cone Health Memorial Hospital and Affiliates

	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
Operating Margin	1.8%	2.7%	2.8%	2.8%	2.8%
Net Income Margin	7.1%	6.5%	-0.7%	5.5%	3.9%

Financial Asset Allocation

	Sep-21
Cash	13%
Fixed Income Securities	43%
Equity Securities and Funds	16%
Private Equity	13%
Private Debt	3%
Hedge Funds	5%
Real Estate	3%
Investments in Comingled Trusts	3%

Investment Footnote	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
Cash	\$221,765,000	\$328,671,000	\$43,644,000	\$62,354,000	\$57,808,000
Fixed Income Securities	\$709,912,000	\$801,169,000	\$317,793,000	\$397,781,000	\$279,321,000
Equity Securities and Funds	\$262,467,000	\$80,019,000	\$246,717,000	\$262,018,000	\$126,480,000
Private Equity	\$211,337,000	\$150,698,000	\$125,954,000	\$104,730,000	\$87,878,000
Private Debt	\$48,136,000	\$45,519,000	\$54,021,000	\$35,849,000	\$38,698,000
Hedge Funds	\$89,092,000	\$111,116,000	\$179,437,000	\$191,063,000	\$158,150,000
Real Estate	\$53,197,000	\$68,249,000	\$76,209,000	\$66,905,000	\$-
Investments in Comingled Trusts	\$50,074,000	\$44,620,000	\$265,449,000	\$272,051,000	\$410,241,000

Cone AFS, page 26 (Sep 2021)

\$1,645,980,000

\$1,630,061,000

\$1,309,224,000

\$1,392,751,000

\$1,158,576,000

Moses H. Cone Health Memorial Hospital and Affiliates

Balance Sheet	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17
Cash and Cash Equivalents	\$221,765,000	\$328,671,000	\$43,644,000	\$62,354,000	\$57,808,000
Short-term Investments	\$147,096,000	\$26,688,000	\$63,533,000	\$77,776,000	\$26,803,000
Current Assets - Limited to Use	\$5,802,000	\$6,674,000	\$7,073,000	\$6,488,000	\$6,674,000
Long-Term Investments	\$941,289,000	\$959,659,000	\$831,134,000	\$816,723,000	\$770,802,000
Long-Term Investments - Limited to Use	\$205,754,000	\$233,432,000	\$231,091,000	\$315,222,000	\$201,041,000
Alternative Investment adjustment to FV*	\$-	\$-	\$66,118,000	\$51,562,000	\$41,136,000
Other Assets - Deferred Compensation	\$96,203,000	\$74,937,000	\$66,631,000	\$62,626,000	\$54,312,000
Cone AFS, page 26 (Sep 2021)	\$1,617,909,000	\$1,630,061,000	\$1,309,224,000	\$1,392,751,000	\$1,158,576,000

Footnote 4

Alternative Investment FV Calculation

Stated at FV	Stated at FV	Adj to FV - Page 28	Adj to FV - Page 28	Adj to FV - Page 24
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Variance \$28,071,000 \$- \$- \$- \$-

Footnote should equal balance sheet, as in Sep 2020, 2019, 2018, 2017. Unable to locate variance in 2021. Used Footnote Balances for Summary of Cash and Investments (Rows 5 and 6)
 2021: Page 27 reports FV measurement total at \$401,762,000 plus \$50,074,000; Does not tie to FV reported on Page 25

Page 27	\$451,836,000	Calculated FV
Page 25	\$423,765,000	Could this be 'cost' reported in error?
	<u>\$28,071,000</u>	

Wakemed Health

Cash and Financial

	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
Cash	\$73,479,000	\$137,948,000	\$120,821,000	\$117,141,000	\$152,453,000	\$102,633,000
Investments	\$1,033,714,000	\$766,711,000	\$631,423,000	\$522,044,000	\$584,754,000	\$559,058,000
Provider Relief Funds		\$36,700,000				
MAAP Payments		\$89,000,000				
	\$1,107,193,000	\$1,030,359,000	\$752,244,000	\$639,185,000	\$737,207,000	\$661,691,000

AFS, Wakemed Health

Consolidated Income

Statement	Sep-21	Sep-20	Sep-19	Sep-18	Sep-17	Sep-16
Patient Service Revenue	\$1,650,413,000	\$1,420,583,000	\$1,375,870,000	\$1,278,092,000	\$1,224,679,000	\$1,117,655,000
Other Revenue	\$69,250,000	\$55,919,000	\$47,687,000	\$43,035,000	\$35,642,000	\$34,170,000
Operating Revenue	\$1,719,663,000	\$1,476,502,000	\$1,423,557,000	\$1,321,127,000	\$1,260,321,000	\$1,151,825,000
Salaries, Wages, Benefits	\$1,040,288,000	\$898,832,000	\$856,470,000	\$796,749,000	\$740,677,000	\$697,496,000
Supplies and Purchased Services	\$510,856,000	\$443,877,000	\$417,501,000	\$368,966,000	\$350,053,000	\$318,770,000
Interest	\$(1,546,000)	\$(1,161,000)	\$(267,000)	\$(391,000)	\$390,000	\$75,331,000
Depreciation and Amortization	\$83,957,000	\$80,017,000	\$76,512,000	\$75,744,000	\$74,822,000	\$614,000
Other Operating Expenses	\$40,957,000	\$33,827,000	\$31,382,000	\$28,818,000	\$30,300,000	\$30,154,000
Operating Expenses	\$1,674,512,000	\$1,455,392,000	\$1,381,598,000	\$1,269,886,000	\$1,196,242,000	\$1,122,365,000
Operating Income	\$45,151,000	\$21,110,000	\$41,959,000	\$51,241,000	\$64,079,000	\$29,460,000
Non Operating Income	\$90,731,000	\$63,585,000	\$7,951,000	\$3,870,000	\$9,272,000	\$1,694,000
Net Income	\$135,882,000	\$84,695,000	\$49,910,000	\$55,111,000	\$73,351,000	\$31,154,000

Annual Consolidated Income
Statements Reported

WakedMed Health

	2021	2020	2019	2018	2017	2016
Operating Margin	3%	1%	3%	4%	5%	3%
Net Income Margin	8%	6%	4%	4%	6%	3%

Financial Asset Allocation

	Sep-21
Cash and Cash Equivalents	7%
US Government Securities	22%
Corporate and Other Debt Securities	32%
Mutual Funds	4%
Exchange-traded Fund	0%
Money Market Funds	3%
Derivatives	2%
Investment Companies NAV	30%

	Sep-21
Cash and Cash Equivalents	\$73,479,000
US Government Securities	\$248,614,000
Corporate and Other Debt Securities	\$358,815,000
Mutual Funds	\$46,837,000
Exchange-traded Fund	\$2,457,000
Money Market Funds	\$30,262,000
Derivatives	\$17,221,000
Investment Companies NAV	\$529,508,000
	\$1,107,193,000

	Sep-21
Cash and Cash Equivalents	\$73,479,000
Short Term Investments	\$614,094,000
Current Asset Restricted	\$17,919,000
Derivatives	\$17,221,000
Investments	\$325,104,000
Limited use (Deposits and Investments)	\$59,376,000

AFS, Page 13
(Sep 2021) **\$1,107,193,000**

AFS, Page 32, 47 (Sep 2021)

Appendix B

Definitions: Charity Care Net Costs are adjusted for restricted grants and charity care payments. Charity care net costs are also shown as a percentage of operating expenses. Hospital affiliation shows hospital ownership as of 2019.

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
ADVENTHEALTH HENDERSONVILLE	Adventist Health	\$209,376,651	\$(4,028,336)	1.9%	\$194,903,119	\$(6,584,534)	3.4%
ALAMANCE REGIONAL MEDICAL CENTER	Cone Health	\$218,171,728	\$(10,023,251)	4.6%	\$219,814,806	\$(10,060,582)	4.6%
ALLEGHANY MEMORIAL HOSPITAL	Wake Forest Baptist Health	\$11,576,242	\$335,969	-2.9%	\$11,818,715	\$(337,345)	2.9%
ASHE MEMORIAL HOSPITAL	Novant Health	\$31,834,875	\$-	0.0%	\$33,079,713	\$(251,034)	0.8%
ATRIUM HEALTH ANSON	Atrium Health	\$19,561,634	\$(2,391,907)	12.2%	\$18,291,505	\$(2,124,409)	11.6%
ATRIUM HEALTH CABARRUS	Atrium Health	\$513,582,288	\$(25,933,013)	5.0%	\$499,875,148	\$(27,367,334)	5.5%
ATRIUM HEALTH CLEVELAND	Atrium Health	\$258,610,379	\$(16,960,399)	6.6%	\$222,698,203	\$(14,757,728)	6.6%
ATRIUM HEALTH KINGS MOUNTAIN	Atrium Health	*merged under Atrium Health Cleveland			\$23,197,646	\$(3,363,600)	14.5%
ATRIUM HEALTH LINCOLN	Atrium Health	\$111,464,916	\$(7,499,102)	6.7%	\$103,335,024	\$(7,813,121)	7.6%
ATRIUM HEALTH PINEVILLE	Atrium Health	\$316,765,996	\$(15,051,589)	4.8%	\$309,649,694	\$(15,502,829)	5.0%
ATRIUM HEALTH STANLY	Atrium Health	\$81,252,352	\$(5,131,903)	6.3%	\$78,287,102	\$(5,724,371)	7.3%
ATRIUM HEALTH UNION	Atrium Health	\$199,129,587	\$(13,553,604)	6.8%	\$197,303,735	\$(13,633,260)	6.9%
ATRIUM HEALTH UNIVERSITY CITY	Atrium Health	\$156,849,417	\$(15,127,830)	9.6%	\$153,514,706	\$(14,536,181)	9.5%
THE OUTER BANKS HOSPITAL	Vidant Health	\$57,510,605	\$(2,219,515)	3.9%	\$61,185,366	\$(121,877)	0.2%
BLADEN COUNTY HOSPITAL	Cape Fear Valley Health	\$27,053,376	\$(726,033)	2.7%	\$30,889,947	\$(275,229)	0.9%
BLUE RIDGE HEALTHCARE HOSPITALS	Atrium Health	\$204,145,994	\$(6,681,452)	3.3%	\$205,945,334	\$(7,490,758)	3.6%

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
BLUE RIDGE REGIONAL HOSPITAL	Mission Health/HCA	\$45,965,370	\$(2,832,619)	6.2%	\$38,754,283	\$(2,088,986)	5.4%
BRUNSWICK COMMUNITY HOSPITAL	Novant Health	\$105,959,467	\$(7,459,619)	7.0%	\$99,258,611	\$(15,929,425)	6.0%
CAH #1 - WASHINGTON	For-Profit	\$17,341,951	\$-	0.0%	\$8,164,867	\$(242,863)	3.0%
CALDWELL MEMORIAL HOSPITAL	UNC Health	\$129,149,859	\$(3,712,575)	2.9%	\$127,454,005	\$(3,664,367)	2.9%
CAPE FEAR VALLEY HOKE HOSPITAL	Cape Fear Valley Health	\$39,132,058	\$(1,912,052)	4.9%	\$41,137,557	\$(409,576)	1.0%
CAPE FEAR VALLEY MEDICAL CENTER	Cape Fear Valley Health	\$809,150,757	\$(8,414,918)	1.0%	\$797,536,871	\$(2,000,487)	0.3%
CAROLINAEAST MEDICAL CENTER	CarolinaEast Health	\$431,677,458	\$(11,107,431)	2.6%	\$421,221,506	\$(11,952,890)	2.8%
CAROLINAS MEDICAL CENTER	Atrium Health	\$2,505,119,734	\$(101,401,796)	4.0%	\$2,385,364,745	\$(94,159,173)	3.9%
CARTERET COUNTY GENERAL HOSPITAL COM	Independent	\$152,744,438	\$(1,301,591)	0.9%	\$150,621,191	\$(1,798,787)	1.2%
CATAWBA VALLEY MEDICAL CENTER	Catawba Valley Health	\$255,930,033	\$(5,824,462)	2.3%	\$251,083,170	\$(6,397,305)	2.5%
CENTRAL CAROLINA HOSPITAL	For-Profit	\$77,221,605	\$(3,183,342)	4.1%	\$80,414,099	\$(2,762,435)	3.4%
CHARLES A. CANNON MEMORIAL HOSPITAL	Appalachian Regional Healthcare	\$23,146,160	\$(264,105)	1.1%	\$23,252,300	\$(258,225)	1.1%
CHATHAM HOSPITAL INC	UNC Health	\$37,220,008	\$(1,618,559)	4.3%	\$36,205,828	\$(1,718,880)	4.7%
HALIFAX REGIONAL MEDICAL CENTER	Vidant Health	\$86,925,238	\$(4,000,702)	4.6%	\$88,367,090	\$(3,444,051)	3.9%
COLUMBUS REGIONAL HEALTHCARE SYSTEM	Atrium Health	\$83,184,239	\$1,229,912	-1.5%	\$80,752,919	\$362,896	-0.4%
DAVIE MEDICAL CENTER	Wake Forest Baptist Health	\$63,644,405	\$(1,522,236)	2.4%	\$62,866,386	\$(1,338,787)	2.1%
DAVIS REGIONAL MEDICAL CENTER	For-Profit	\$54,284,755	\$(2,147,805)	4.0%	\$56,612,165	\$(2,369,873)	4.2%
DUKE RALEIGH HOSPITAL	Duke Health	\$501,289,297	\$(32,908,422)	6.6%	\$458,868,067	\$(30,122,665)	6.6%

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
DUKE REGIONAL HOSPITAL	Duke Health	\$400,274,581	\$(41,257,671)	10.3%	\$372,554,178	\$(29,179,379)	7.8%
DUKE UNIVERSITY HOSPITAL	Duke Health	\$2,485,163,913	\$(113,845,560)	4.6%	\$2,309,066,466	\$(76,773,229)	3.3%
PITT COUNTY MEMORIAL HOSPITAL	Vidant Health	\$1,196,139,275	\$(61,016,590)	5.1%	\$1,194,585,916	\$(157,927,062)	4.8%
FIRSTHEALTH MONTGOMERY MEMORIAL CAH	Firsthealth of The Carolinas	\$12,577,240	\$(800,490)	6.4%	\$12,239,781	\$(781,694)	6.4%
FIRSTHEALTH MOORE REGIONAL HOSPITAL	Firsthealth of The Carolinas	\$633,930,026	\$(14,352,211)	2.3%	\$623,201,939	\$(13,086,381)	2.1%
FORSYTH MEMORIAL HOSPITAL INC	Novant Health	\$1,390,501,430	\$(53,819,427)	3.9%	\$1,358,736,367	\$(34,944,619)	2.6%
FRYE REGIONAL MEDICAL CENTER	For-Profit	\$233,913,453	\$(5,900,541)	2.5%	\$238,926,815	\$(4,584,843)	1.9%
GASTON MEMORIAL HOSPITAL	Caromont Health	\$462,882,145	\$(24,014,938)	5.2%	\$443,649,054	\$(22,192,639)	5.0%
GRANVILLE MEDICAL CENTER	Independent	\$70,744,707	\$(1,007,565)	1.4%	\$67,187,852	\$(980,896)	1.5%
CHOWAN HOSPITAL INC.	Vidant Health	\$46,589,886	\$(2,518,865)	5.4%	\$52,253,889	\$(61,834)	0.1%
HARNETT HEALTH SYSTEM	Harnett Health	\$104,559,772	\$(365,462)	0.3%	\$100,259,343	\$(30,523)	0.0%
HARRIS REGIONAL HOSPITAL	For-Profit	\$105,269,640	\$(551,982)	0.5%	\$98,898,007	\$(597,904)	0.6%
HAYWOOD REGIONAL MEDICAL CENTER	For-Profit	\$132,702,655	\$(3,715,306)	2.8%	\$133,956,153	\$(2,876,148)	2.1%
HIGH POINT MEDICAL CENTER	Wake Forest Baptist Health	\$296,359,450	\$(14,635,710)	4.9%	\$285,078,690	\$(10,324,082)	3.6%
HIGHLANDS CASHIERS HOSPITAL	Mission Health/HCA	\$24,116,861	\$(1,084,895)	4.5%	\$18,947,077	\$(1,302,672)	6.9%
HUGH CHATHAM MEMORIAL HOSPITAL	Independent	\$107,692,266	\$(2,740,206)	2.5%	\$103,251,591	\$(3,131,875)	3.0%
IREDELL MEMORIAL HOSPITAL	Iredell Health	\$178,540,600	\$(1,518,395)	0.9%	\$179,525,247	\$(11,260,693)	6.3%
J ARTHUR DOSHER MEMORIAL HOSPITAL	Coastal Carolinas Health Alliance	\$44,335,855	\$(254,056)	0.6%	\$42,773,475	\$(254,092)	0.6%
JOHNSTON HEALTH	UNC Health	\$226,695,298	\$(7,972,575)	3.5%	\$211,028,531	\$(6,608,245)	3.1%

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
LAKE NORMAN REGIONAL MEDICAL CENTER	For-Profit	\$89,495,890	\$ (2,320,235)	2.6%	\$93,046,753	\$ (2,384,117)	2.6%
LENOIR MEMORIAL HOSPITAL	UNC Health	\$108,409,116	\$ (2,161,557)	2.0%	\$106,407,214	\$ (2,052,322)	1.9%
LEXINGTON MEMORIAL HOSPITAL INC.	Wake Forest Baptist Health	\$99,459,523	\$ (5,321,390)	5.4%	\$91,201,124	\$ (5,178,760)	5.7%
LIFEBRITE COMMUNITY HOSPITAL OF STOK	For-Profit	\$12,648,037	\$ (156,324)	1.2%	\$14,615,078	\$ (27,340)	0.2%
MARGARET R. PARDEE MEMORIAL HOSPITAL	UNC Health	\$257,363,830	\$ (5,796,363)	2.3%	\$243,847,622	\$ (5,163,005)	2.1%
MARIA PARHAM MEDICAL CENTER	For-Profit	\$127,091,497	\$ (4,892,066)	3.8%	\$120,152,016	\$ (983,769)	0.8%
MARTIN GENERAL HOSPITAL	For-Profit	\$26,601,933	\$ (778,971)	2.9%	\$25,630,456	\$ (829,507)	3.2%
MEDICAL PARK HOSPITAL	Novant Health	\$60,702,663	\$ (2,353,283)	3.9%	\$64,126,522	\$ (956,356)	1.5%
MH ANGEL MEDICAL CENTER LLLP	Mission Health/HCA	\$48,140,717	\$ (3,406,337)	7.1%	\$50,154,044	\$ (3,229,655)	6.4%
MISSION HOSPITAL INC	Mission Health/HCA	\$1,156,550,593	\$ (42,914,040)	3.7%	\$1,285,436,401	\$ (44,079,890)	3.4%
MURPHY MEDICAL CENTER	Erlanger Health	\$61,231,920	\$ (2,213,345)	3.6%	\$62,747,187	\$ (2,344,514)	3.7%
NASH HOSPITALS INC	UNC Health	\$278,448,224	\$ (3,399,805)	1.2%	\$279,953,739	\$ (3,993,501)	1.4%
NEW HANOVER REGIONAL MEDICAL CENTER	Independent	\$1,122,014,188	\$ (15,299,845)	1.4%	\$1,069,291,812	\$ (17,328,662)	1.6%
NORTH CAROLINA BAPTIST HOSPITAL	Wake Forest Baptist Health	\$1,864,864,370	\$ (66,199,557)	3.5%	\$1,761,493,964	\$ (52,916,370)	3.0%
NORTH CAROLINA SPECIALTY HOSPITAL	For-Profit	\$52,444,875	\$ (86,868)	0.2%	\$50,465,311	\$ (136,342)	0.3%
NORTHERN HOSP OF SURRY CO	Independent	\$103,791,943	\$ (2,765,418)	2.7%	\$98,239,198	\$ (3,481,425)	3.5%
NOVANT HEALTH MINT HILL MEDICAL CTR	Novant Health	\$79,159,752	\$ (5,543,617)	7.0%	\$63,868,894	\$ (2,706,798)	4.2%
ONSLOW MEMORIAL HOSPITAL	Independent	\$132,442,331	\$ (12,980,953)	9.8%	\$142,580,901	\$ (9,579,042)	6.7%
PENDER MEMORIAL HOSPITAL	Independent	\$30,142,999	\$ (687,931)	2.3%	\$27,535,407	\$ (293,491)	1.1%

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
PERSON MEMORIAL HOSPITAL INC	For-Profit	\$35,546,410	\$(1,263,959)	3.6%	\$36,869,464	\$3,561	-0.0%
VIDANT ROANOKE CHOWAN HOSPITAL	Vidant Health	\$87,991,349	\$(5,054,830)	5.7%	\$88,798,854	\$(4,090,360)	4.6%
PRESBYTERIAN HOSPITAL	Novant Health	\$1,099,147,839	\$(45,452,276)	4.1%	\$1,051,266,318	\$(23,249,762)	2.2%
PRESBYTERIAN HOSPITAL HUNTERSVILLE	Novant Health	\$181,706,620	\$(6,495,192)	3.6%	\$173,690,058	\$(4,307,611)	2.5%
PRESBYTERIAN HOSPITAL MATTHEWS	Novant Health	\$176,879,469	\$(9,948,266)	5.6%	\$199,433,969	\$(7,291,143)	3.7%
RANDOLPH HOSPITAL	Independent	\$106,053,873	\$(5,412,544)	5.1%	\$104,396,984	\$(5,571,920)	5.3%
REX HOSPITAL	UNC Health	\$1,148,045,999	\$(13,762,049)	1.2%	\$1,107,743,005	\$(15,067,764)	1.4%
ROWAN REGIONAL HOSPITAL	Novant Health	\$246,273,898	\$(13,564,400)	5.5%	\$223,880,663	\$(10,387,731)	4.6%
RUTHERFORD HOSPITAL INC.	For-Profit	\$72,335,564	\$(962,845)	1.3%	\$74,697,410	\$(622,113)	0.8%
S.E. REGL MEDICAL CENTER	Coastal Carolinas Health Alliance	\$277,602,107	\$(18,651,646)	6.7%			
SAMPSON REGIONAL MEDICAL CENTER	Coastal Carolinas Health Alliance	\$64,311,063	\$(2,637,439)	4.1%	\$64,422,445	\$(2,655,155)	4.1%
SCOTLAND MEMORIAL HOSPITAL	Atrium Health	\$164,929,953	\$(9,214,802)	5.6%	\$159,440,457	\$(3,597,464)	2.3%
SENTARA ALBEMARLE REGL MED CTR LLC	Sentara Healthcare	\$137,358,897	\$(9,851,791)	7.2%	\$108,068,109	\$(6,358,437)	5.9%
ST LUKES HOSPITAL	Atrium Health	\$44,546,908	\$(159,165)	0.4%	\$43,675,356	\$(65,062)	0.1%
SWAIN COUNTY HOSPITAL	For-Profit	\$16,022,714	\$(1,211,978)	7.6%	\$15,681,065	\$(719,706)	4.6%
THE MCDOWELL HOSPITAL	Mission Health/HCA	\$73,440,852	\$(6,838,806)	9.3%	\$21,481,370	\$(1,220,791)	5.7%
THE MOSES H. CONE MEMORIAL HOSPITAL	Cone Health	\$1,046,680,175	\$(45,447,774)	4.3%	\$1,012,477,550	\$(48,115,010)	4.8%
VIDANT BEAUFORT HOSPITAL	Vidant Health	\$85,267,663	\$(5,073,383)	5.9%	\$88,679,624	\$(4,959,287)	5.6%
THOMASVILLE MEDICAL CENTER	Novant Health	\$94,214,021	\$(8,942,163)	9.5%	\$92,034,719	\$(6,059,197)	6.6%

Hospital Name	Hospital System (2019)	2020 Operating Expenses	2020 Charity Care Net Costs	2020 Charity Care (%)	2019 Operating Expenses	2019 Net Charity Care Costs	2019 Charity Care (%)
TRANSLYVANIA COMMUNITY HOSPITAL	Mission Health/ HCA	\$56,919,263	\$(3,315,932)	5.8%	\$50,891,917	\$(2,828,840)	5.6%
UNC ROCKINGHAM HOSPITAL	UNC Health	\$60,690,574	\$(603,596)	1.0%	\$62,703,880	\$(592,341)	0.9%
UNIVERSITY OF NORTH CAROLINA HOSP.	UNC Health	\$2,009,009,006	\$(76,669,940)	3.8%	\$1,787,274,790	\$(73,481,809)	4.1%
BERTIE MEMORIAL HOSPITAL	Vidant Health	\$17,970,374	\$(1,147,939)	6.4%	\$18,212,106	\$(872,489)	4.8%
VIDANT EDGECOMBE HOSPITAL	Vidant Health	\$85,446,336	\$(6,717,863)	7.9%	\$88,768,402	\$(7,138,084)	8.0%
DUPLIN GENERAL HOSPITAL	Vidant Health	\$58,295,983	\$(5,677,412)	9.7%	\$59,347,935	\$(5,816,144)	9.8%
WAKE MED CARY HOSPITAL	WakeMed Health	\$234,042,393	\$(12,556,012)	5.4%	\$227,397,499	\$(2,676,755)	1.2%
WAKEMED RALEIGH CAMPUS	WakeMed Health	\$894,379,300	\$(66,461,811)	7.4%	\$849,823,297	\$(10,508,735)	1.2%
WATAUGA MEDICAL CENTER	Appalachian Regional Healthcare	\$139,132,291	\$(3,845,611)	2.8%	\$131,748,866	\$(1,379,871)	1.0%
WAYNE MEMORIAL HOSPITAL	UNC Health	\$237,057,891	\$(4,952,690)	2.1%	\$241,507,141	\$(7,131,674)	3.0%
WILMINGTON TREATMENT CENTER INC	For-Profit	\$20,124,715	\$(937,747)	4.7%	\$19,423,521	\$(721,699)	3.7%
WILSON MEDICAL CENTER	Lifepoint Health	\$129,643,105	\$(1,078,716)	0.8%	\$126,005,129	\$(555,356)	0.4%
WRMC HOSPITAL OPERATING CORPORATION	Wake Forest Baptist Health	\$79,758,438	\$(3,649,382)	4.6%	\$76,274,570	\$(2,274,174)	3.0%

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