

Dear Wake County Commissioners-

I am writing to express serious concerns regarding agenda item 16 on the May 4, 2026 agenda, concerning the amendment to WakeMed's articles of incorporation.

As Treasurer of the State of North Carolina, I also serve as Chairman of the Board of the State Health Plan, which provides health insurance for approximately 750,000 people including state and local employees, public school teachers, retirees and their dependents. As you know, the State of North Carolina and the Wake County Public School System are among the county's largest employers, and our constituents will feel the gravity of the decision you make. As I understand, this amendment is required to allow the consolidation of WakeMed with Atrium Health. While this transaction is not technically an acquisition, its practical effect is combining the local hospital with a much larger system, and I believe your Board should proceed with great caution.

My objections are threefold:

- 1) North Carolina and other states have witnessed multiple transactions involving the consolidation of non-profit hospitals and hospital systems over the last decade. And we see the same results over and over – either higher costs or lower quality of care in the acquired hospital's service area – and in some cases, both. I am not aware of any example where these types of transactions have resulted in patients being better off, and it is highly unlikely that this one will be the first.
- 2) The intended benefit to Wake County of this transaction, \$2 billion in capital investment over many years and the creation of a number of jobs, will likely occur without this consolidation. As you know, WakeMed is a well-run, highly profitable (\$176 million of net income last year) hospital system. As you also know, Wake County continues to grow rapidly, attracting large numbers of new residents each year. As the Chairman of the Local Government Commission, and with delegated powers from the Governor to approve Medical Care Commission bond financings, I am familiar with the borrowing capacity of many nonprofit health systems and can attest that WakeMed has substantial borrowing capacity. The combination of WakeMed's strong finances, ample borrowing capacity, the favorable demographics of WakeMed's service territory, and the continued growth of Wake County, ensure these investments will almost certainly be made whether this consolidation is authorized or not.
- 3) The effective sales price of WakeMed is ZERO. A promise of new capital investments and jobs that will most-certainly be created anyway means that authorizing this consolidation is selling WakeMed for no real upside -- and a lot of downside for Wake County residents already feeling the pain of skyrocketing cost-of-living increases. My background is in finances, but it does not take my expertise to know this is a raw deal. If

you do not feel compelled to stand in the way of this consolidation that is sure to raise prices, then please at least demand consideration from the acquiror in the way that New Hanover and Buncombe Counties have in the past. Using those as comparables, Wake County should be able to set up an endowment of well over \$1.5 billion from funds paid by Atrium, for allowing this acquisition. This endowment could have at its mandate to keep healthcare affordable and accessible in Wake County, which would at least partially offset the inevitable price increases from this consolidation.

Thank you for your consideration of my feedback. The Department of State Treasurer stands ready to assist you with any analysis you need of this transaction. You do not need to rush to answer this inquiry. Please learn from the experience that Buncombe County has endured and either reject the proposal, or at the very least, set up an endowment to help cushion the blow of this consolidation.

Sincerely,

Bradford B. Briner

Treasurer

State of North Carolina