




# Improving Health Care in North Carolina

*Overview of Investments and Initiatives*





Peter Hans

## GOAL ONE


### Improve Health Care in NC

**Formation of ECU Health**  
*Integrating the Brody School of Medicine with Vidant in 2021/2022*

**New medical education building at ECU**  
*(\$265m in 2021, broke ground 2024)*

**Expansion of nursing pipeline**  
*(\$40m) + **rural residencies** (\$23m)  
+ **private support***

**UNC Health investments**  
*in Children's Hospital and behavioral health centers (no state support since 2012)*



## GOAL TWO

### Improve Rural Health Care in NC

- NC Care in 2023
- Develop \$10m clinically integrated network  
(ECU Health & UNC Health)
- Investments in rural hospitals and clinics  
(\$410m)
- Catalyst supporting two hospital systems  
with a public mission in rural NC

## Rural Health Investments

### 1. ECU Behavioral Health Facility: \$50m

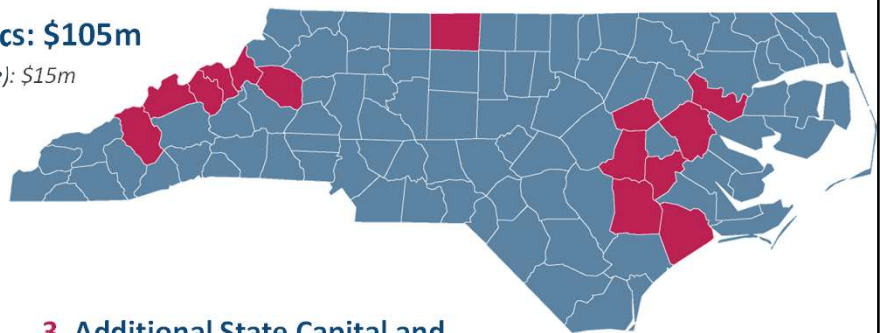
- Greenville (previously appropriated directly to ECU)

### 2. Regional Care Clinics: \$105m

- Outside Asheville (Helene): \$15m
- Caldwell: \$45m
- Wilson: \$45m

### Hospitals: \$150m

- Lenoir: \$10m
- Wayne: \$10m
- Onslow: \$15m
- Martin: \$35m
- Duplin: \$40m
- Rockingham: \$40m



### 3. Additional State Capital and Infrastructure Fund Investments: \$105m

- Previously authorized, but not yet appropriated

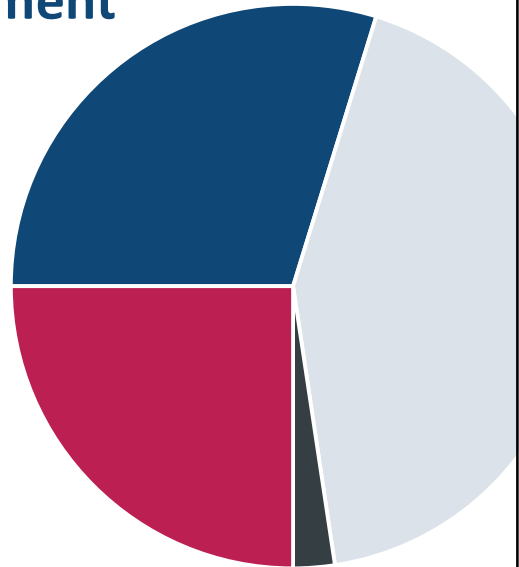
## Breakdown of \$420m Investment

**ECU/ECU Health: \$125m**

**UNC Health: \$180m**

**Clinically integrated network: \$10m**

**Yet to come: \$105m**



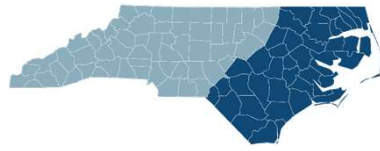
## Regional Allocation of \$305m



**West: \$60m**



**Central: \$40m**



**East: \$205m**

## NC Care State Capital and Infrastructure Fund (SCIF) Allocations: \$255M

### Rural Care Center Investments: \$105M

#### **Rural Care Center in Wilson County | \$45M**

- Per the RSOC plan, RCC responds to community needs and provides connections to regional hospitals.
- Allows for comprehensive support of follow-up and higher-level care through UNC Health Nash and UNC Health Wayne while providing access to primary, specialty, and emergency care.
- Expanding access to key services including emergency care, urgent care, and surgical care will allow more patients to receive care close to home rather than traveling to metropolitan areas.

#### **Rural Care Center in Caldwell County | \$45M**

- Supported by UNC Health Caldwell operations in Caldwell County, including an acute care hospital, McCreary Cancer Center, and diverse outpatient services.
- This investment in Caldwell County allows placement of services to meet the needs of a rural region with a growing population. At present, many patients from Caldwell County are forced to travel to larger metropolitan areas for care including orthopedics and specialized cancer services.
- On a more routine basis, there is an undersupply of more foundational healthcare services in the community, including urgent care, laboratory and imaging; RCC will expand access, decrease patient burden to travel for necessary care, and decrease wait times for care.

#### **Rural Care Center outside of Asheville | \$15M**

- Investment will aid in the community's continued response to Hurricane Helene, ensuring resilient infrastructure and a more sustainable care model in the event of future weather events.
- Patients in rural areas proximate to Asheville often lack access to many healthcare services.
- RCC will allow more North Carolinians in this region to remain local diminishing travel burdens to access emergency services, urgent care, imaging and laboratory services, dental care and routine primary care.

### Hospital Investments: \$150M

#### **East Carolina University | \$75M**

- **Martin County (\$35M):** Funds allocated to ECU for investments in connection with Martin General. ECU may partner with ECU Health for work with Martin General, including efforts to designate Martin General as a Rural Emergency Hospital (REH).
- **Duplin County (\$40M):** Funds allocated to ECU for investments in connection with ECU Health Duplin. ECU may partner with ECU Health for work with the hospital, including efforts to designate the hospital as a Rural Emergency Hospital (REH).

#### **UNC Health | \$75M**

- **Lenoir and Wayne Counties (\$20M):** Funds allocated to UNC Health for investment in UNC Health Lenoir and UNC Health Wayne for facility and equipment capital needs for the hospital and outpatient facilities.
- **Onslow County (\$15M):** Funds allocated to UNC Health for investment in Onslow Memorial Hospital facility needs, updates, and improvements.
- **Rockingham County (\$40M):** Funds allocated to UNC Health to address facility and equipment needs at UNC Health Rockingham. Funding will support initial stage of development of a new care delivery model in Rockingham County, with services designed to meet the current needs of the community while also creating an opportunity to bring future-focused services including virtual care, training opportunities and clinical trials access to patients.

**LETTER OF INTENT**  
**between**  
**The University of North Carolina Health Care System**  
**and**  
**University Health Systems of Eastern Carolina, Inc.**

This letter of intent (the “**Letter of Intent**”) is entered into as of May 1st, 2025 (“**Effective Date**”) by and between The University of North Carolina Health Care System (“**UNC Health**”) and University Health Systems of Eastern Carolina, Inc., a North Carolina nonprofit corporation (“**UHS**,” or, together with its subsidiaries, “**ECU Health**”). UNC Health and ECU Health may be collectively referred to herein as the “**Parties**”, or individually as a “**Party**”. This Letter of Intent sets forth the understanding of the Parties in principle with respect to collaboration between the Parties specifically related to the \$10 million transferred to the UNC Board of Governors and allocated to UNC Health as part of the NC Care initiative for a clinically integrated network (“**CIN**”). *See*, North Carolina Session Law 2023-134, “Current Operations Appropriations Act of 2023”. This Letter of Intent is an expression of the Parties’ current intent and, except as specifically set forth in Part II, below, is not intended to be a binding agreement among the Parties.

**PART I – NON-BINDING PROVISIONS**

1. Clinically Integrated Network. The Parties acknowledge that there are populations of patients that they co-manage and similar types of patients that they respectively treat and there is benefit to systematically managing them in a clinically integrated manner. The Parties aim to use this integration to undertake value-based activities to better serve the diverse needs of North Carolinians, including, without limitation, fostering the following value-based purposes:

- Improving access to care, preventative care, early intervention, and timely treatment, particularly in rural areas of the State;
- Enhancing care coordination and information sharing to promote seamless transitions of care;
- Collaboration on clinical best practices to improve quality of care, patient outcomes, and better manage the growing costs of health care for North Carolinians.

The Parties will use good faith, reasonable efforts to do the following in furtherance of the CIN:

- a. Develop a process to examine ECU Health’s and UNC Health’s existing population health networks and resources.
- b. Define specific areas where opportunities exist to deliver network access and capabilities more efficiently and effectively, jointly.
- c. Review respective value-based care experience and outcomes and contemplate learnings that may impact future value models in North Carolina

- d. Preliminary assessment of infrastructure and initiatives necessary to support better population health.
- e. Share best practices for data and analytics infrastructure.

The funding for the CIN will help support this work by providing for the analytic and project management support and technology to assist the Parties in evaluating and completing the efforts listed above and developing the Parties' infrastructure to better collaborate and share data in the future. In addition, the Parties paid for a consultant, Innosight, to help develop the regional system of care, which assisted in evaluating populations and the networks in eastern North Carolina, and therefore, the funding for the CIN will be used to reimburse the Parties for such documented Innosight fees directly in support of the Parties' joint work on the regional system of care and evaluations of populations and network.

To the extent the Parties deem necessary to accomplish the efforts above, the Parties will, in good faith, use commercially reasonable efforts to negotiate a collaboration agreement.

## **PART II – BINDING PROVISIONS**

1. Binding and Non-Binding Terms. None of the Parties is bound or otherwise obligated by the terms set forth in Part I of this Letter of Intent. The Parties agree that terms set forth in Part II of this Letter of Intent (“**Binding Provisions**”) are binding on each of the Parties, as applicable. Except as expressly set forth in this Part II, no Party has any binding obligation regarding the CIN.

2. Term; Termination. The “**Term**” of this Letter of Intent will commence on the Effective Date and will continue in full force and effect until the earlier of: (a) the execution of a collaboration agreement, (b) the mutual written agreement of the Parties to terminate this Letter of Intent, (c) notice of termination of this Letter of Intent by either Party upon ninety (90) days' prior written notice; or (d) reallocation or elimination of the \$10 million of NC Care funds for the CIN as determined by the General Assembly. Upon termination, all further obligations of the Parties under this Letter of Intent will terminate automatically; provided, however, that the provisions set forth in Sections 2, 3 and 4 of Part II of this Letter of Intent will survive such termination.

3. Confidentiality. This Letter of Intent and all information exchanged by UNC Health and ECU Health during discussions, negotiations, due diligence, implementation planning, and other activities shall be subject to that certain Confidentiality Agreement by and between ECU Health and UNC Health effective April 8, 2024 (the “**Confidentiality Agreement**”). Without limiting the foregoing, the Parties acknowledge that pursuant to N.C. Gen. Stat. 131E-97.3, the exchange of competitive health care information is not a public record under Chapter 132 of the General Statutes and serves as a basis for closed session discussions under N.C. Gen. Stat. 143-318.11(a)(1) in any official meeting of a public body subject to Chapter 143, Article 33C of the General Statutes.

## 4. Miscellaneous.

a. Costs. Each Party will be responsible for and bear all of its own costs and expenses (including any broker's or finder's fees and the expenses of their respective attorneys and

representatives) incurred at any time in connection with pursuing this Letter of Intent (except with respect to the reimbursement of expenses associated with Innosight and other projects/initiatives determined to be funded by NC Care funds).

b. No Liability. Other than the Binding Provisions, this Letter of Intent does not constitute and will not give rise to any legally binding obligation on the part of any of the Parties. Except as expressly provided in the Binding Provisions (or as expressly provided in any binding written agreement that the Parties may enter into in the future), no past or future action, course of conduct, or failure to act relating to the CIN, or relating to the negotiation of the terms of the collaboration related to the CIN or any final agreements, will give rise to or serve as a basis for any obligation or other liability on the part of any of the Parties, nor shall any Party rely upon any of the foregoing with respect to any action or inaction of such Party.

c. Remedies. Each Party agrees that if it violates or breaches any Binding Provision of this Letter of Intent, each other Party shall be entitled to preliminary and permanent injunctive relief either pending or following a trial on the merits, together with any other remedies that may be available at law or in equity, without being required to post bond or other security. Should a Party seek or obtain a remedy against any other Party, such action shall not be considered an election of remedies, or a waiver of any right by such Party to assert any other remedy, it may have at law or in equity.

d. Entire Agreement. This Letter of Intent constitutes the entire agreement between the Parties, and supersedes all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the Parties on the subject matter hereof, other than the Confidentiality Agreement. Except as otherwise provided in this Letter of Intent, the Binding Provisions may be amended or modified only by a writing executed by all of the Parties.

e. Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Letter of Intent and all of which, when taken together, will be deemed to constitute one and the same agreement. Email transmission of a true scanned or .pdf copy of any signed original counterpart transmission shall be deemed the same as the delivery of an original.

f. Governing Law. This Letter of Intent will be governed by and construed in accordance with the internal substantive laws of the State of North Carolina without regard to conflicts of laws principles.

g. Press Releases. The Parties shall consult with one another and mutually agree concerning the form and substance of any press release or other public disclosure of the matters covered by this Letter of Intent, and shall make a diligent effort to prohibit their respective directors, trustees, managers, officers, employees, consultants, and advisors (and those of their respective affiliates and subsidiaries) from granting press interviews or engaging in similar actions that would result in other public disclosure of such matters; provided, however, that these obligations shall not be deemed to prohibit any Party from making any disclosure such Party reasonably deems necessary in order to fulfill such Party's disclosure obligations imposed by law.

h. Modification to Comply with Law. This Letter of Intent is intended to comply with all applicable federal and North Carolina laws and regulations. In the event that either party determines in good faith that this Letter of Intent or the collaboration contemplated by this Letter of Intent is not in compliance with such laws and regulations, then the Parties shall negotiate in good faith to modify the terms and provisions of this Letter of Intent to remedy any prior noncompliance. If compliance cannot be achieved reasonably within thirty (30) days, then this Letter of Intent shall terminate at the election of either Party.

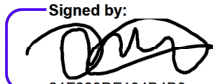
[SIGNATURE PAGE ATTACHED]



*Signature Page to Letter of Intent*

**In consideration of the foregoing and other good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, the parties hereby agree to the terms of this Letter of Intent.**

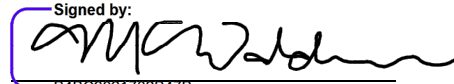
**The University of North Carolina Health Care System**

By:  Signed by:  
21F289DF104B4B0...

Name: Jeff Lindsay

Title: President and Chief Operating Officer

**University Health Systems of Eastern Carolina, Inc.**

By:  Signed by:  
B4BC9021702B47B...

Name: Michael Waldrum, M.D.

Title: Chief Executive Officer

Initial  
JBL