



UNC System President Peter Hans
Remarks to the UNC Board of Governors
May 25, 2023

Few people realize this, but the University of North Carolina is one of the state's largest health care providers. And our two medical systems, anchored in Chapel Hill and Greenville, reach nearly every part of our state through community hospitals, clinics, outreach programs, and through the work of the doctors, nurses, and vast array of critical health professionals they prepare.

Our state's leaders have long recognized a special obligation for the public university to address health care in the broadest sense, bringing world-class resources to people in every part of our state. Since the middle of the last century, when North Carolina Memorial Hospital opened in 1952 and the first class of students graduated from the UNC School of Medicine in 1954, the University has taken a leading role in answering North Carolina's growing health care needs, addressing everything from cutting-edge cancer research to covid treatments.

It also took vision — and a very hard-fought political battle — to extend that reach again by creating a medical school at East Carolina University in 1965, vastly increasing our state's capacity to serve patients and train health professionals down east. Today, the Brody School and its affiliated hospital and clinics are a vital part of North Carolina's public infrastructure, improving quality of life for so many people.

Both were visionary and much-needed efforts to bring North Carolina into the modern age of health care. At the time, we lagged the national average on so many crucial measures of health, from childhood mortality to overall life expectancy. We had too few doctors and nurses to serve our population, and not nearly enough hospitals and clinics to effectively reach the rural parts of our state.

Our state's leaders demonstrated more far-sighted commitment in 1998, organizing UNC Hospitals and the Medical School at Carolina into UNC Health. That public-spirited enterprise has since grown to include owning or operating 19 hospitals, serving communities from Jacksonville in the southeast to Hendersonville in the west. And in 2021, the Brody School and seven-hospital system formerly known as Vidant partnered together as ECU Health.

North Carolina has been thoughtful when it comes to creating health care capacity in the places where it's needed. But still, many of the core challenges remain. The gap between the quality of care available in our biggest cities and the resources available in our rural counties remains troubling. Life expectancy here in Wake County is almost 82 years, well above the national average. In not so far-away Halifax, it's nearly a decade less, at 73 years. You see equally

daunting disparities along lines of race and income, and between North Carolinians with a college degree and those without.

On just about any map tracking health challenges in North Carolina — from infant mortality to insurance eligibility to food insecurity — there are dark patches across significant portions of our state. These are the places our statewide health systems must serve.

For those reasons, we are supporting another visionary and much-needed investment in our state's rural health infrastructure. When a bipartisan coalition of state lawmakers voted in March to expand Medicaid, bringing new federal dollars to North Carolina to enhance access to care, it presented a chance and a challenge to our university health systems.

We have a once-in-a-generation window of opportunity to improve the health and well-being of North Carolinians on a grand scale, and we must take it. That will mean forging a much closer bond between the University's two major health systems, encouraging UNC Health and ECU Health to operate in tandem on essential needs for our citizens. Chair Ramsey and I convened a series of negotiations in the past few months to accomplish exactly that.

I'd like to praise the leadership of ECU Chancellor Philip Rogers and Dr. Mike Waldrum, the ECU Health CEO and Brody School Dean along with UNC-Chapel Hill Chancellor Kevin Guskowitz and Dr. Wesley Burks, the UNC Health CEO and Medical School Dean. They have been real leaders and dedicated partners in this effort.

The result of all those discussions is evident in a Senate budget that generously, with hundreds of millions of dollars, supports our community hospitals and creates rural health clinics in areas UNC Health and ECU Health serve (and where other big health systems are nowhere to be found). Significantly, it also allows both entities to form a clinically integrated network of physicians and advances several regulatory relief measures which recognize the unique public service mission of the state's two public hospital systems.

The Senate budget also creates a rural residency and medical education fund designed to place more doctors in high-need areas and raise pay for our nursing faculty across the entire UNC System, recognizing the extraordinary demand for high-skilled nurses and the leaders necessary to train them.

An expansion of the ECU Medical School's class size by forty students a year is funded, which, of course, follows last year's legislative actions to modernize the Brody School's facilities and to expand UNC-Chapel Hill's medical school class size. My clear expectation for both institutions, and I dare say this Board's as well, is that they will use the combination of these resources to prepare more doctors who stay and practice in North Carolina.

And that is not all. The Senate budget funds a regional behavioral health center at ECU Health providing psychiatric care for adolescents, which matches a UNC Health facility in Butner that was recently announced in partnership with the Governor and Department of Health and Human Services.

Finally, it makes an extraordinary half-billion-dollar investment in a world-class children's hospital that UNC Health is spearheading. That facility will feature a range of specialty care and services for young people, with a particular focus on mental health care. We have spoken many times about the enormous problems we're facing with depression and anxiety among our youth, all made worse by a dire lack of acute psychiatric care. With very few good options available currently, we need more places for families to turn when their sons and daughters are in a dangerous level of distress.

The Senate and House are leading here in a transformative way that recalls earlier precedents and perhaps, exceeds them. We are hopeful and cautiously optimistic that the final budget conference report will reflect the breadth and depth of what I've just described. What a testimony that would be to their vision and leadership.

North Carolina is a much-changed state since the 1950's, when the University first began to take on health care as a core part of its mission. But the fundamental need to ensure fair access to high quality medical care is as critical as ever. Aligning the health care assets across the entire UNC System will enable all of us, ultimately, to meet this historical moment with a strong sense of moral purpose.

One of the frustrations in this job, in the age we're living through, is that so much time and energy gets consumed by small-scale fights that stir outrage but produce very few actual outcomes. This work, by contrast, will matter to generations of North Carolinians. This is work we'll remember, and be proud to remember, for a long time to come.