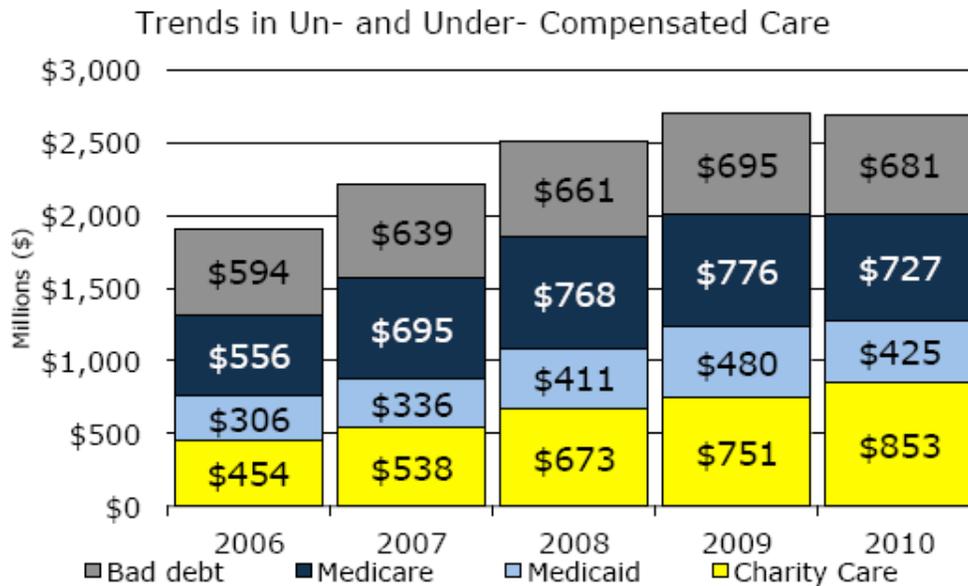


Questions from House Select Committee on Sale of State Assets

- 1. What is the total amount of uncompensated care in the State? (The region?) and the total amount paid out (by UNC Health Care?) “in service of health care”???**

The North Carolina Hospital Association (NCHA) calculated **\$2.7 billion** of uncompensated care across North Carolina in 2010. This calculation was included in NCHA’s most recent annual State of the State report.



Prepared by Sarah Broome, PhD, Director of Economic Research, NCHA, June 3, 2011. Response rate: 87%; missing responses imputed using beds. Data source: NCHA ANDI.

Figure 35: Medicare Losses, Medicaid Losses, Charity Care and Bad Debt Costs, 2006-2010.

As for money “paid out in service of health care”, the cost of clinical services provided by UNC Health Care during FY2011 exceeded **\$2 billion**.

- 2. Where does UNC Health Care rank in terms of hospitals in NC that provide uncompensated care?**

All 100 hospitals in North Carolina provide substantial uncompensated care, and each hospital reports information to the NCHA’s community benefit database (ANDI). However, each hospital accounts for the costs of uncompensated care in a different manner, and an apples-to-apples comparison is difficult to achieve.

Using FY2010 information reported to NCHA by each hospital, we compared North Carolina’s largest hospitals and hospital systems:

	Operating Revenue Ranking	NCHA Uncomp Care¹ Ranking
Carolinas HealthCare	1	1
Novant Health	2	2
Duke Health	3	3
UNC Health Care	4	4
ECU & Vidant	5	5
NC Baptist Hospital	6	8
Mission Hospitals	7	9
WakeMed	8	6
Cone Health	9	7

Notes

1. Uncompensated Care as reported to the North Carolina Hospital Association. Uncompensated Care defined as: Charity Care, losses on Medicaid, Medicare, and other Governmental programs, subsidized health services and bad debt.

3. Provide the information for Rex that would appear on an IRS Form 990

The IRS ruled in 2005 that Rex Hospital is exempt from filing annual 990 informational returns. To ensure transparency into the operations of Rex Hospital, we are attaching an executive summary providing key information typically found in the 990 return.

4. How much money Pardee is losing?

Margaret Pardee Hospital (Pardee) in Hendersonville, NC is not owned by UNC Health Care. It is owned by the citizens of Henderson County, and overseen by a Board of Trustees, and by the Henderson County Board of Commissioners. UNC Health Care provides management services to Pardee. While we cannot provide Pardee’s financial information, we can assure the committee that Pardee is not losing money.

Recalling the discussion from the last committee meeting, we believe Chatham Hospital is the subject of the request. UNC Health Care purchased control of Chatham Hospital’s Board of Trustees in early FY2009. According to Chatham’s audited financials, Chatham has lost \$8.6 million since FY2009.