Response to Committee Request for Information
UNC Health Care System
1. Provide a list of all entities affiliated with UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, Pardee, and any subsidiary affiliates of these entities. Identify which entities participate in the Enterprise Fund (including subsidiary affiliates). Identify which entities were created before/after the entity became affiliated with UNCHCS (including subsidiary affiliates). Identify if each entity is audited and list the audit containing the entity (including subsidiary affiliates). Provide a statement explaining the purpose of each affiliated entity.

2. Provide complete copies of two most recent outside audit reports for UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, and Pardee. Provide complete copies of two most recent annual financial statements (not the annual reports posted on your web site) for UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, and Pardee showing the balance sheets, cash flows, income statements, and any other data appearing on the financial statement.

3. Provide a statement of the profit (or other measure of annual performance) for Rex. The statement should explain cash (or cash equivalents) earned during the fiscal year and other additional assets held. The statement should also explain where the data can be found on the audit report (provided under a prior question).

4. Provide the organizational documents such as articles of incorporation, bylaws, and other agreements creating the Enterprise Fund. Provide a listing of all transfers of cash or property into and from the Enterprise Fund for the most recent two years. Provide complete copies of two most recent annual financial statements for the Enterprise Fund. Provide a listing of the assets of the Enterprise Fund. Provide a statement explaining the governance of the Enterprise Fund including who makes decisions to distribute its assets. Identify the location of the Enterprise Fund including who has authority over its accounts.

5. Identify the resources devoted to teaching, research, patient care and other activities of each of the affiliated entities engaged in teaching, research, and patient care.

6. Identify all transfers between and among Rex and UNCHCS
Tab 1
Provide a list of all entities affiliated with UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, Pardee, and any subsidiary affiliates of these entities. Identify which entities participate in the Enterprise Fund (including subsidiary affiliates). Identify which entities were created before/after the entity became affiliated with UNCHCS (including subsidiary affiliates). Identify if each entity is audited and list the audit containing the entity (including subsidiary affiliates). Provide a statement explaining the purpose of each affiliated entity.

1 UNC Health Care System

1A Health System Properties, LLC
Created as a vehicle of the UNC Health Care System to acquire property and pay appropriate property taxes when warranted. The UNC Wellness Center, and the UNC Spine Center are held in the LLC.
Entity does not provide assessment to Enterprise Fund.
Entity does not receive Enterprise Fund support.
Audited by the office of the NC State Auditor, as part of UNC Hospitals' annual audit.

1B First Health UNCHCS, LLC
Organized 5/6/2008
UNC Health Care operates a joint-venture medical oncology clinic with FirstHealth of the Carolinas in Sanford, North Carolina.
Entity does not provide assessment to Enterprise Fund.
Entity does not receive Enterprise Fund support.
Audited separately by independent auditor.

1C UNC Hospitals (UNCH)
Operates NC Memorial Hospital, NC Women's Hospital, NC Children's Hospital, NC Neurosciences Hospital, and NC Cancer Hospital (collectively UNC Hospitals). With UNC P&A, operated Community Based Practices with UNC P&A until TPN was formed.
Entity provides assessment to Enterprise Fund.
Entity does receive Enterprise Fund support.
Audited by the office of the NC State Auditor.

UNC Health System Services, LLC
Organized 1/13/2006
Subsidiary organized to employ retired state employees, per 2006 North Carolina Attorney General opinion affirming UNC Health Care's flexibility from state employment rules.
Subsidiary affiliate does not receive Enterprise Fund support.

NC Imaging Centers, LLC
Organized 8/26/2005
Entity organized but has had no activity.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited by the office of the NC State Auditor, as part of UNC Hospitals' annual audit.
Provide a list of all entities affiliated with UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, Pardee, and any subsidiary affiliates of these entities. Identify which entities participate in the Enterprise Fund (including subsidiary affiliates). Identify which entities were created before/after the entity became affiliated with UNCHCS (including subsidiary affiliates). Identify if each entity is audited and list the audit containing the entity (including subsidiary affiliates). Provide a statement explaining the purpose of each affiliated entity.

1. **UNC Health Care System**

   Carolina Dialysis, LLC
   - Organized 6/17/2002
   - UNC Hospitals operates joint-venture dialysis clinics with Renal Research Institute, LLC.
   - Subsidiary affiliate does not receive Enterprise Fund support.
   - Audited by the office of the NC State Auditor, as part of UNC Hospitals’ annual audit.

   NC Healthcare Innovations, LLC
   - Organized 4/29/2011
   - UNC Hospitals is creating a joint venture clinic with Blue Cross Blue Shield of North Carolina. The clinic will open in December 2011.
   - Subsidiary affiliate does not receive Enterprise Fund support.
   - Subsidiary affiliate will be audited by an independent auditor.

2. **UNC Physicians & Associates**

   18 Clinical Departments of the UNC School of Medicine operating clinical practices throughout the Triangle region. With UNCH, operated Community Based Practices (CBPs) with UNC Hospitals until TPN was formed.
   - Entity provides assessment to Enterprise Fund.
   - Entity receives Enterprise Fund support.
   - Audited annually by the office of the NC State Auditor, as a part of the University of North Carolina - Chapel Hill audit.

3. **Rex Healthcare, Inc**

   Incoporated as a Non-Profit corporation 3/17/1986
   - Holding company for Rex Healthcare system.
   - Entity provides assessment to Enterprise Fund.
   - Entity does not receive Enterprise Fund support.
   - Audited separately by independent auditor.

   **Rex Hospital, Inc.**
   - Incorporated as a Non-Profit corporation 3/17/1986
   - Rex Hospital is a 433-bed hospital. The hospital provides inpatient, outpatient, and emergency hospital services primarily in Wake County, NC. The hospital operates on its main campus Rex Cancer Center, Rex Women’s Center and Rex Rehabilitation and Nursing Care Center of Raleigh, a 120-bed nursing facility. The hospital provides urgent care and diagnostics at its Cary, NC campus. The hospital provides outpatient surgery, oncology, and wellness services, urgent care, family medicine and diagnostics at its Wakefield campus. Rex’s Knightdale campus provides urgent care, diagnostics, family medicine, wound care and a sleep disorders center. Rex also operates Rex Rehabilitation and Nursing Care Center of Apex, a 1-7-bed nursing facility in Apex, NC.
   - Subsidiary affiliate provides assessment to Enterprise Fund.
   - Subsidiary affiliate does not receive Enterprise Fund support.
   - Audited as part of Rex Healthcare, Inc audit.
Provide a list of all entities affiliated with UNCHCS, UNC Hospitals, UNC Physicians & Associates, Rex, Chatham, Pardee, and any subsidiary affiliates of these entities. Identify which entities participate in the Enterprise Fund (including subsidiary affiliates). Identify which entities were created before/after the entity became affiliated with UNCHCS (including subsidiary affiliates). Identify if each entity is audited and list the audit containing the entity (including subsidiary affiliates). Provide a statement explaining the purpose of each affiliated entity.

1. UNC Health Care System
   Rex Home Services, Inc
   Organized 10/24/1998
   Rex Home Services provides homecare services across the Triangle region of North Carolina.
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.

   Rex Surgery Center of Cary, LLC
   Organized 4/20/07
   Operates an outpatient surgery center in Cary, NC with community physicians. The surgery center was formed and began operations on February 28, 2011. The hospital owns 79.5% of the membership interests. The remaining membership interests are owned by an unrelated third party.
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.

   Smithfield Radiation Oncology, LLC
   Acquired 2/28/2008
   Rex operates a Radiation Oncology Clinic in Smithfield, NC.
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.

   JRH Ventures, LLC
   Organized 6/4/10
   Joint venture with Johnston Memorial Hospital Authority to provide Radiation Oncology services in Johnston County, NC.
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.

   Rex Holdings, LLC
   Organized 4/20/2008
   Subsidiary affiliate created to hold Rex Healthcare Inc's membership interests in joint ventures and other
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.

   Rex Orthopedic Ventures, LLC
   Organized 4/20/07
   Organized to hold Rex's 50% investment in a joint venture with an unrelated third party.
   Subsidiary affiliate does not receive Enterprise Fund support.
   Audited as part of Rex Healthcare, Inc audit.
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1 UNC Health Care System

Rex Physicians, LLC
Organized 5/17/2007
Subsidiary affiliate formed to operate specialty physician practices serving the residents of Wake County and surrounding area. Subsidiary affiliate currently operates physician practices in the areas of general surgery, heart and vascular services, and thoracic surgery.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

Rex IV, LLC
Organized 5/17/2007
Organized to meet future needs of Rex Healthcare. It has no activity.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

Rex V, LLC
Organized 5/17/2007
Organized to meet future needs of Rex Healthcare. It has no activity.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

Rex Enterprises Company, Inc
Organized 1/7/1987
A for-profit corporation formed to engage in activities that would otherwise generate non-tax-exempt income for the non-profit entities. Prior to June 15, 2010, Enterprises owned a 50% interest in Ventures. On June 15, 2010 Enterprises bought the remaining 50% interest in Ventures from Wakefield Rex Investors, LLC.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

Rex CDP Ventures, LLC
Organized 5/26/06
Subsidiary affiliate organized to own and develop real estate in the Wakefield community of northern Wake County.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.
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1 UNCH Health Care System

Rex Wakefield Wellness, LLC
Organized 7/25/07
Subsidiary affiliate organized to develop a wellness center building on the Wakefield campus of the Hospital. Rex Hospital leases the building from Wellness.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit

Rex CDP Ventures-Retail, LLC
Organized 10/27/09
Subsidiary affiliate organized to develop a retail unit of the Wakefield campus of the Hospital.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit

Rex CDP Ventures-HT, LLC
Organized 6/15/07
Subsidiary affiliate organized to develop a retail unit of the Wakefield campus of the Hospital.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

Wakefield Rex Investors MOB, LLC
Organized 7/30/07
Subsidiary affiliate organized to develop a medical office building on the Wakefield campus of the Hospital.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited as part of Rex Healthcare, Inc audit.

1F Chatham Hospital, Inc
Acquired 7/22/2008
Provides Inpatient, outpatient, and emergency hospital services in Siler City, NC.
Entity does not provide assessment to Enterprise Fund.
Entity does not receive Enterprise Fund support.
Audited separately by independent auditor.

1G Triangle Physician Network
Primary and specialty medical practice with locations across the triangle region of North Carolina.
Subsidiary affiliate does not provide assessment to Enterprise Fund.
Subsidiary affiliate does not receive Enterprise Fund support.
Audited separately by independent auditor.
We request: (1) the 9 org charts be part of UNCHCS' public response; (2) UNCHCS add the entities listed on the org charts to the narrative response; and (3) the narrative response explain the purpose of each entity including any health care facilities run by the entity. For example, the explanation should identify the Rex subsidiary operating Rex's satellite campus locations, and the explanation should identify the community based practices.

Org charts are attached in the order listed below. Narrative responses were updated to include the requested explanations.

1  UNC Health Care System
   1A  Health System Properties, LLC
   1B  First Health UNCHCS, LLC
   1C  UNC Hospitals (UNCH)
       UNCH Health System Services, LLC
       NC Imaging Centers, LLC
       Carolina Dialysis, LLC
       NC Healthcare Innovations, LLC
       *Mid Carolina Homecare Specialists no longer exists.*
   1D  UNC Physicians & Associates
   1E  Rex Healthcare, Inc
       Rex Hospital, Inc.
       Rex Home Services, Inc
       Rex Surgery Center of Cary, LLC
       Smithfield Radiation Oncology, LLC
       JRH Ventures, LLC
       Rex Holdings, LLC
       Rex Orthopedic Ventures, LLC
       Rex Physicians, LLC
       Rex IV, LLC
       Rex V, LLC
       Rex Enterprises Company, Inc
       Rex CDP Ventures, LLC
       Rex Wakefield Wellness, LLC
       Rex CDP Ventures-Retail, LLC
       Rex CDP Ventures-HT, LLC
       Wakefield Rex Investors MOB, LLC
   1F  Chatham Hospital, Inc
   1G  Triangle Physician Network
*The shared services components work collaboratively across the UNC HCS, and Mr. Park and Dr. Daugird will work in partnership in these areas.*