

**Response to Committee
Request for Information
UNC Health Care System**

FRD Request 10.20.11

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

Organized 6/8/2000

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.

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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.

1D 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.

1E Rex Healthcare, Inc

Incorporated 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.

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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 UNC 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

Organized 2/12/2009. Community Based Clinics transitioned in during FY 2010. Rex primary clinics transitioned into TPN during FY2011.

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.

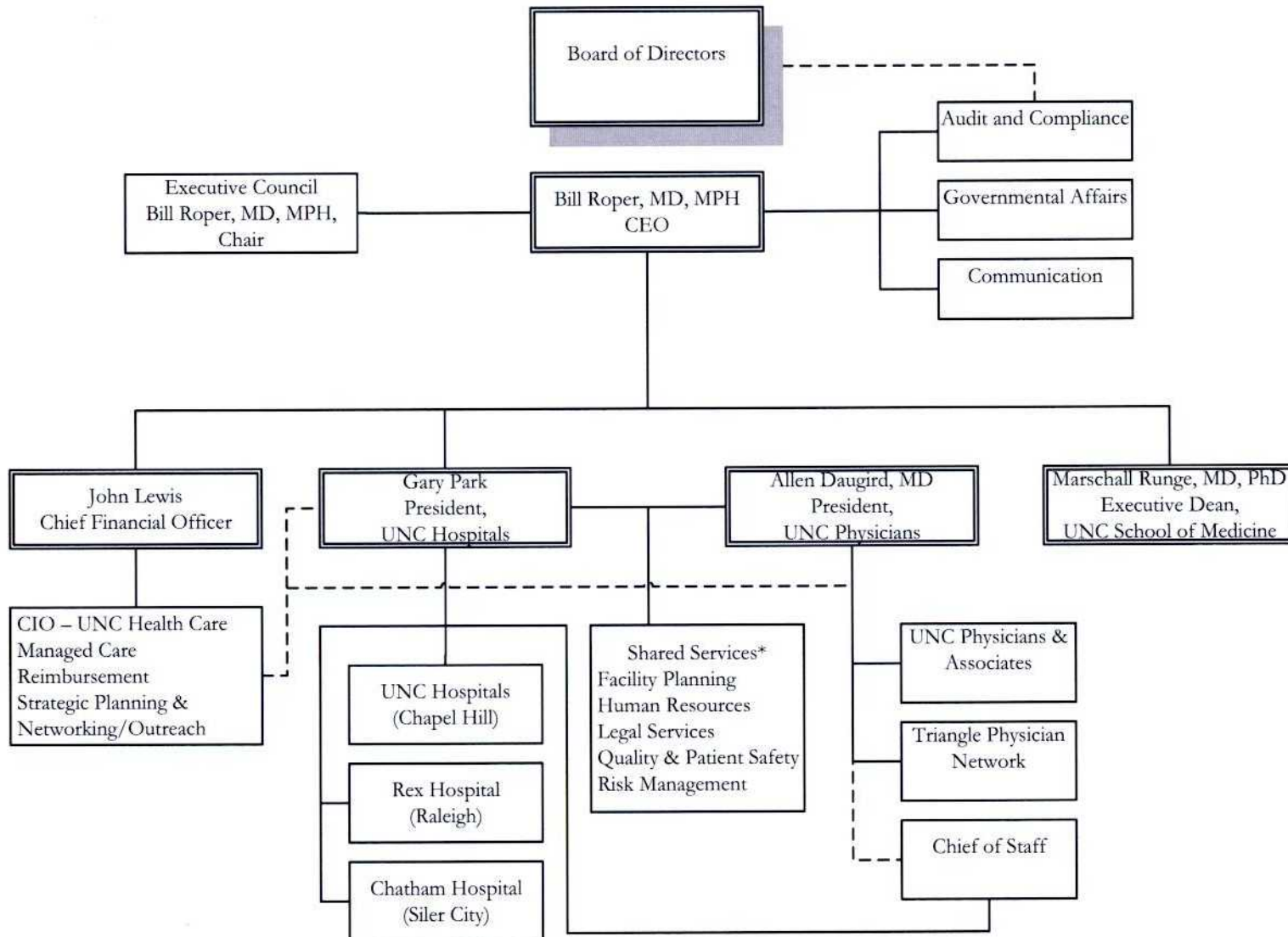
Audited separately by independent auditor.

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 UNCHCS Org Chart
 - 1B First Health UNCHCS, LLC Sanford Hematology Oncology
 - 1C UNC Hospitals (UNCH) UNCH Org Chart
 - UNC Health System Services, LLC
 - NC Imaging Centers, LLC
 - Carolina Dialysis, LLC Carolina Dialysis
 - NC Healthcare Innovations, LLC
 - Mid Carolina Homecare Specialists no longer exists.*
 - 1D UNC Physicians & Associates P&A Org Chart
 - 1E Rex Healthcare, Inc Rex Healthcare Organizational Chart
 - 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 Chatham Org Chart
 - 1G Triangle Physician Network TPN Org Chart

Organizational Chart
July 1, 2010

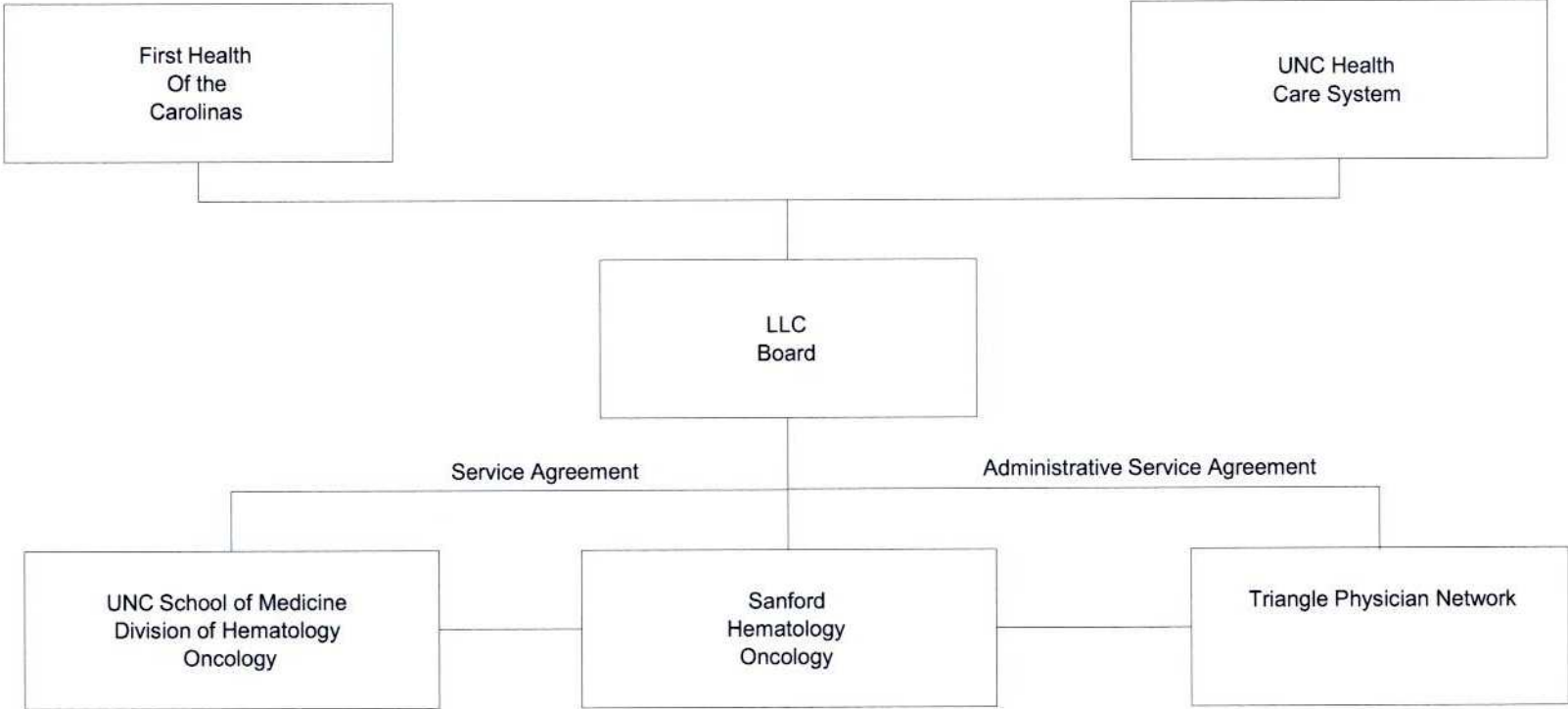


* The shared services components work collaboratively across the UNC HCS, and Mr. Park and Dr. Daugird will work in partnership in these areas.

FIRSTHEALTH OF THE CAROLINAS AND UNC HEALTH CARE SYSTEM , LLC

Organizational Chart

March 1, 2011

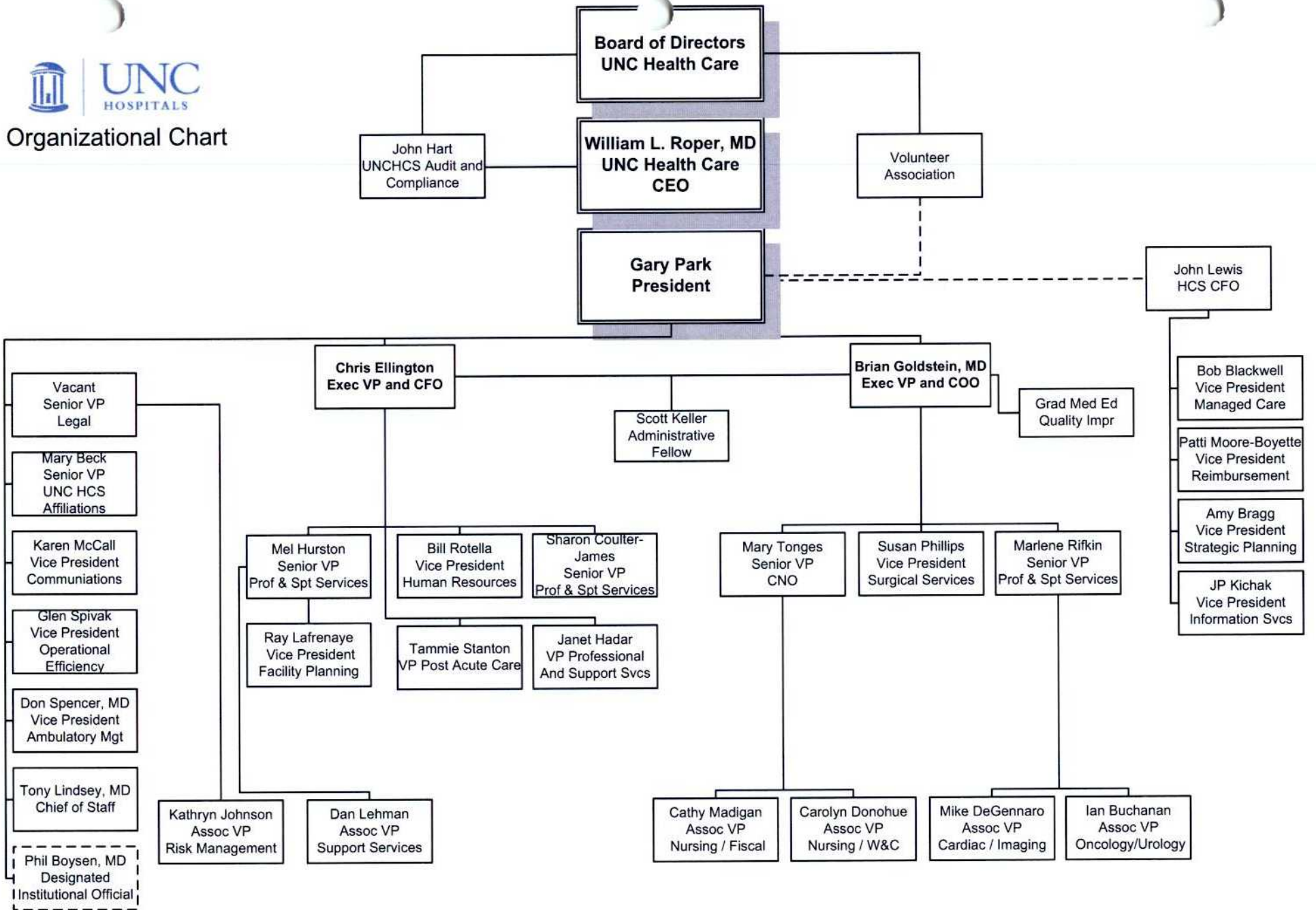


- ⌋ QA
- ⌋ Back-up Call Coverage
- ⌋ Clinical Program Oversight
- ⌋ Recruitment Assistance
- ⌋ Consultative Advice

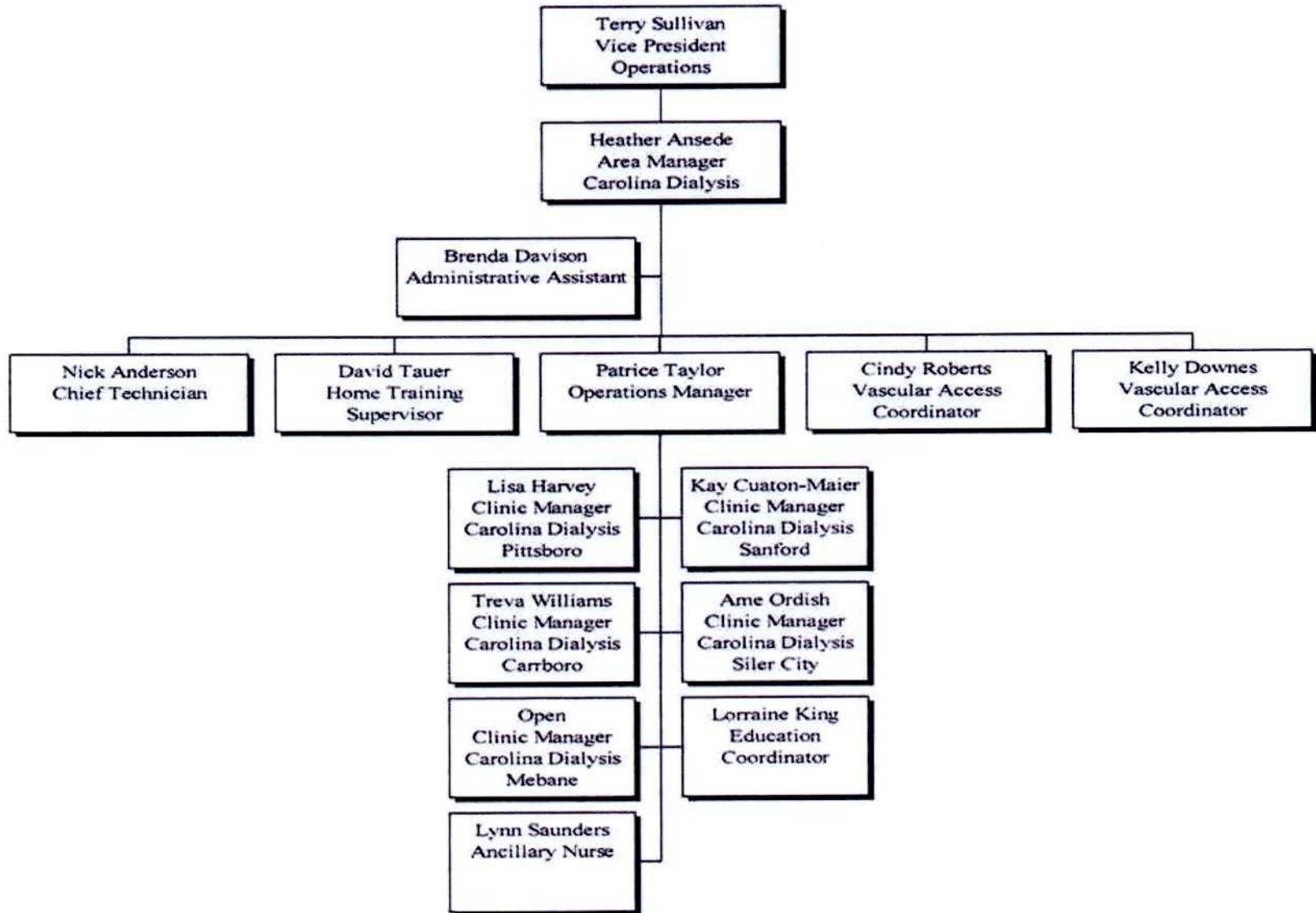
- ⌋ Competencies
- ⌋ Safety & Security
- ⌋ JCAHO
- ⌋ Billing Oversight
- ⌋ Management Oversight
- ⌋ Staffing
- ⌋ Med 3000
- ⌋ Pharmacy
- ⌋ Lab/CLIA
- ⌋ Reference Lab



Organizational Chart

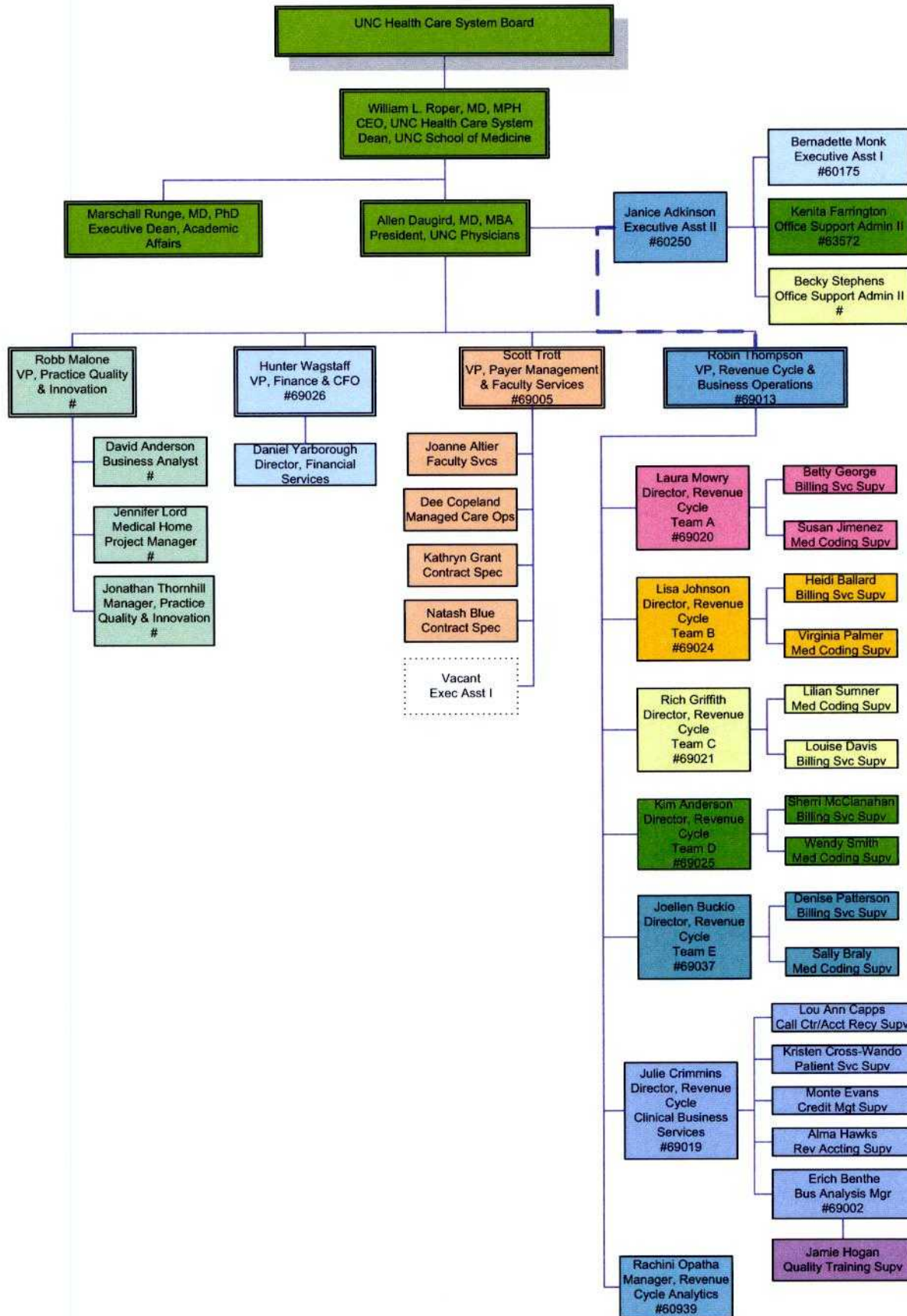


Carolina Dialysis, LLC
A 50/50 Joint Venture of
UNC Hospitals and
Renal Research Institute, LLC

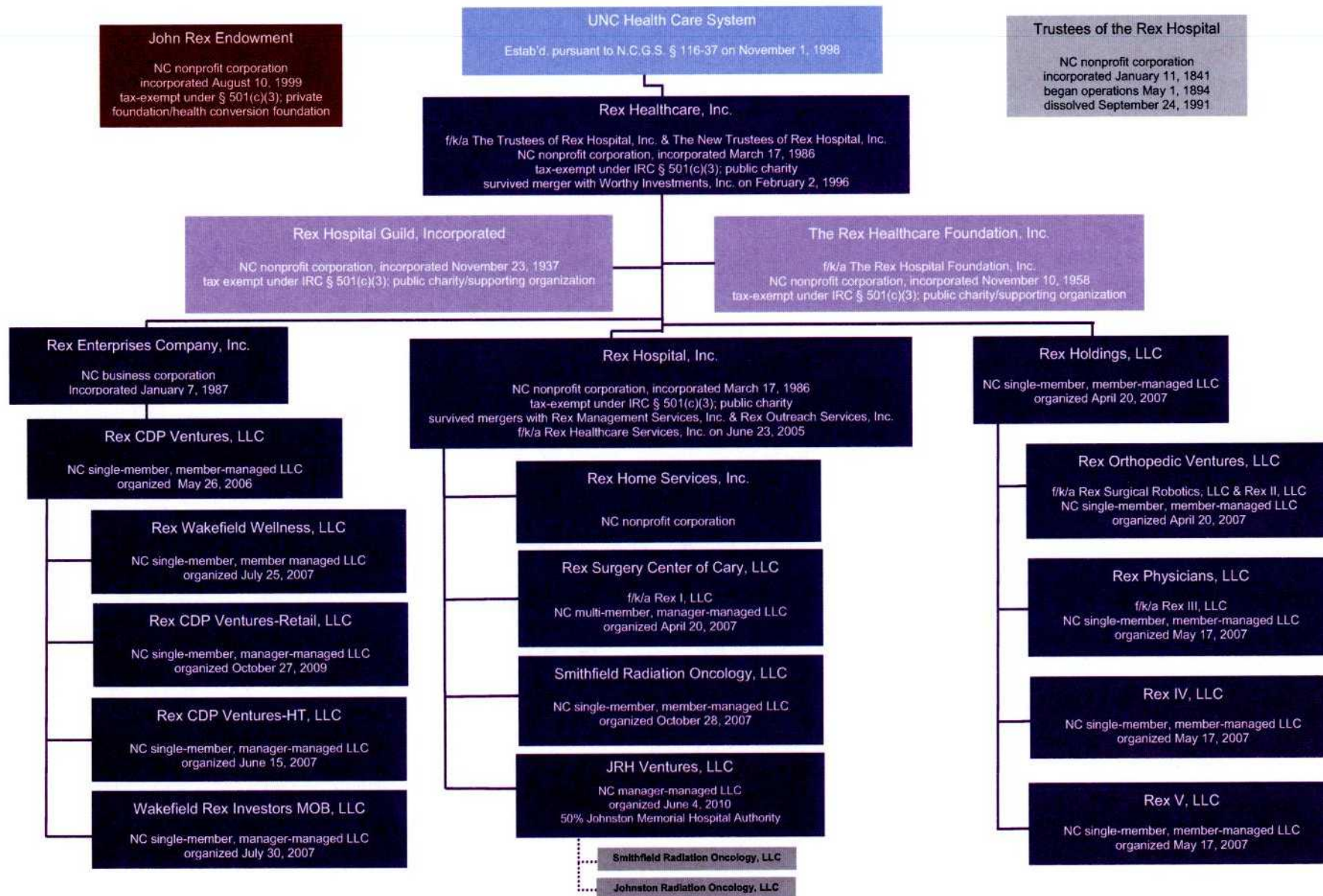


UNC Physicians & Associates

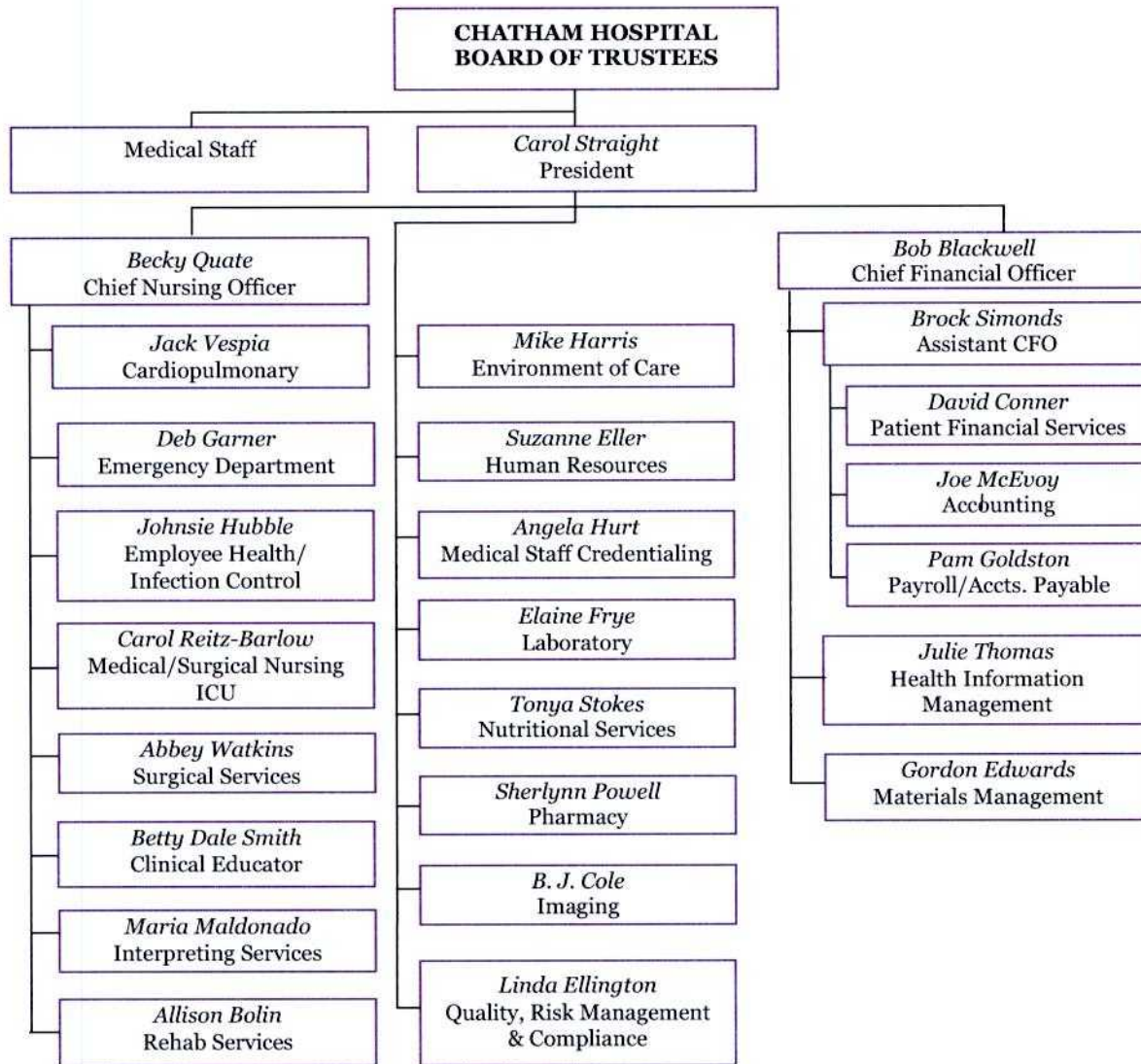
February 18, 2011



REX HEALTHCARE ORGANIZATIONAL CHART



Organizational Chart



Carol Straight
President
4/2011



TPN Board
Allen Daugird, MD
President

Operations Management Team

Bob Ricker
Executive Administrative Director

Robert Gianforcaro, DO
Exec Medical Director

Physician Council

Sandlin Davenport
Director - Operations Eastern Region

Peter Michels
Director - Operations Western Region

Derek Wildman
Director of Finance & Business Ops

Physician Relations

Med Dirs Practices

Physicians & Non-Physician Providers (NPP's)

4 - 6 Practice s Each

RPA

RPA

Practice Acquisition & Integration

MSA Coordination
•Marketing
•HR
•WC/Occ Health
•PMS Project Mgmt

4 - 6 Practice s Each

RPA

RPA

RPA

RPA

Practice Acquisition & Integration

MSA Coordination
•IS/Telecom
•Legal
•Risk Management
•Reg Compliance
•Laboratory

Finance/Reimb Analyst (NEW) **

Acquisition Analyst (NEW) **

Coding/Audit Manager

Coding Analysts (1 New)

CBO Manager (NEW)

MSA Coordination
Accounting
Financial Reporting
Purchasing
Mgd. Care Contr.

Assoc Med Dir - QA

QI Manager

Assoc Med Dir - IT

Credentialing/ Enrollment Coordinator (NEW)

MSA Coordination
Quality Improvement
MD Credentialing
Pay 4 Performance