

UNC Health Care opposes sale of Rex

WakeMed claims that purchasing Rex would help with budget woes.

By Daniel Wiser
State & National Editor

The latest row between WakeMed Health and Hospitals and UNC Health Care has placed the UNC system and looming state budget cuts at the center of the fray.

In a letter to UNC-system President Thomas Ross last week, WakeMed officials offered to purchase Rex Healthcare, a subsidiary of UNC Health Care, for \$750 million. Officials said the sale could alleviate the state's economic troubles and proposed cuts to higher education.

"This influx of cash will significantly positively impact the state and in return the university system and UNC Health Care," the letter said.

WakeMed, a private, not-for-profit health care system based in Raleigh, has clashed with UNC Health Care in the past. WakeMed has accused UNC Health Care of engaging in "predatory behavior" and using its state resources to limit competition and partner with profitable private physicians' practices and hospitals like Rex.

William Atkinson, president and chief executive of WakeMed, said in an interview that WakeMed's principal motivation is to improve the efficiency of health care services in Wake County by consolidating with Rex.

"Our rationale for this isn't about the budget or politics," he said.

But he added that UNC-system administrators and state legislators should consider the sale as a viable source of revenue during tough economic times.

"Seven hundred fifty million — whether it's short term or long term — is not an amount of money people should blow off,"

"We as a state don't need to take real drastic measures to... bail somebody out."

Rep. Norman Sanderson, R-Craven,
Vice chairman of N.C. House appropriations subcommittee on education

he said.

Both system administrators and Rex officials have expressed opposition to the move. Dale Jenkins, chairman of Rex Healthcare, said at a press conference that Rex benefits from a "vibrant" partnership with UNC Health Care.

"Rex is not for sale and has not been for sale," he said.

Ross said in a statement that Rex joined UNC Health Care to extend its mission of improving the quality of medical care, research and physician education across the state. UNC Health Care's board of directors will consider the offer in "due diligence," he said.

"I do not believe that divesting UNC Health Care of Rex in order to generate one-time revenue for the state is in the long-term best interests of the people of North Carolina," he said.

The proposed sale might also face opposition at the state legislature. Lawmakers have urged caution about any short-term fix to gain revenue for the state or offset budget cuts to the UNC system.

Rep. Norman Sanderson, R-Craven and vice chairman of the N.C. House of Representatives appropriations subcommittee on education, said selling state entities might not benefit the system for the long term.

"We as a state don't need to take real drastic measures to have enough to bail somebody out," he said.

Hannah Gage, chairwoman of the Board of Governors — which oversees the UNC system — said in an email that WakeMed's offer will be discussed at the board's June meeting along with a briefing about UNC Health Care.

The feud between WakeMed and UNC Health Care origi-

THE STORY SO FAR:

WakeMed Health and Hospitals has had a thorny history with UNC Health Care:

- April 2000: Rex Healthcare accepts a buyout offer of about \$290 million from UNC Health Care after previous talks with WakeMed about a possible merger.

- Fall 2010: UNC Hospitals reports that it expects to lose about \$300 million in charity care expenses, one-fifth of the hospital's total operating expenses.

- Nov. 29, 2010: WakeMed submits a formal request for financial information and other public records from UNC Hospitals.

- May 12, 2011: WakeMed officials send a letter to UNC-system President Thomas Ross offering to buy Rex for \$750 million. Officials say the sale could benefit the state and the system during a time of economic troubles and budget cuts.

nated in 2000 when Rex opted to accept a buyout offer of about \$290 million from UNC Health Care after previous talks with WakeMed about a possible merger.

Tensions flared again last year when UNC Hospitals reported it would lose \$300 million in charity care expenses. WakeMed submitted a formal request for financial information and other public records in November, challenging the financial record of the state-supported hospitals.

Contact the State & National Editor at state@dailytarheel.com.

Triangle buses to display 'Words on the Move'

By Britton Alexander
Staff Writer

Bus passengers might soon find themselves asking questions they wouldn't normally ask.

Today, Capital Area Transit is debuting a series of placards sponsored by members of the Raleigh Arts Commission and the Orange County Arts Commission, as well as Scott Huler, the 2011 Piedmont Laureate.

The "Words on the Move" placards, which were placed in the interior of Chapel Hill Transit buses May 14, encourage transit users to contemplate a series of written questions, and promote awareness for the work of the Piedmont Laureate.

The placards' themes range from drinking water to reading books to television optics.

"Scott has written some fabulous, thoughtful questions, and they're fun questions," said June Guralnick, executive director of the Raleigh Arts Commission. "It's really food for thought."

Guralnick dreamed up the placards and the Raleigh Arts Commission created the design, she said.

All 99 Chapel Hill buses display two placards each. One introduces the "Words on the Move" platform, while the other presents a set theme of questions.

Bus riders are encouraged to send in their own inquiries on the Piedmont Laureate website, and Huler will reply to chosen questions through an online answer forum, Guralnick said.

As the Piedmont Laureate, Huler has been appointed for one year in order to promote the literary arts throughout Alamance, Durham, Johnston, Orange and Wake counties.

"My entire goal as Piedmont Laureate is to wake people up," Huler said. "The world is full of fascinating secrets, and it wants you to ask."

Martha Shannon, direc-



DTH/ERIN HULL

Scott Huler, the 2011 Piedmont Laureate, holds one of the new bus placards he hopes will get people thinking about about various issues.

"The world is full of fascinating secrets, and it wants you to ask."

Scott Huler,
2011 Piedmont Laureate

tor of the Orange County Arts Commission, said the placards are meant to not only increase awareness of the Piedmont Laureate program but also make individuals more aware of what is occurring around them and their own capacity for creativity.

The Orange County Arts Commission aims to continue "Words on the Move" until December 2011, although no new placards will be created, Shannon said.

"We are hoping to do another outreach program with Scott during the second half of this calen-

dar year," she added. Huler said the organization is looking to extend the questions beyond Orange County and Raleigh. Community leaders in Alamance County are considering placing the placards in their public libraries, Huler said.

"I think it's going to be a very well-received public art project because it's focusing on something a little bit different," said Shannon. "It's focusing on language, on words and public arts."

Contact the Arts Editor at arts@dailytarheel.com.

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- a free dental cleaning
- up to \$50.00 payment for your time
- free consult regarding options for 3rd molar treatment

If interested, please contact: **Tiffany V. Hambricht, RDH**

Clinical Research Coordinator • Department of Oral & Maxillofacial Surgery

919-966-8376 or Tiffany_Hambricht@dentistry.unc.edu

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