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Advocate Aurora Health and Atrium Health to Combine

Complementary Capabilities will Advance Patient Outcomes, Health Equity and Medical Breakthroughs

CHARLOTTE, N.C., DOWNERS GROVE, Ill. and MILWAUKEE (May 11, 2022) – Advocate Aurora Health and Atrium Health announced today their plans to come together to create a leading health and wellness delivery system to best meet patients’ needs by redefining how, when and where care is delivered. The organizations cited their complementary strengths, diverse experiences and enhanced capabilities as key enablers to improve lives.

“The world of healthcare as we know it is changing at warp speed – and it is rapidly becoming more digital, personalized, scientific and complex,” said Eugene A. Woods, president and chief executive officer of Atrium Health. “This strategic combination will enable us to deepen our commitments to health equity, create more jobs and opportunities for our teammates and communities, launch new, game-changing innovations and so much more. Together, we will manifest a new future that significantly elevates the care we provide to every hand we hold and every life we touch.”

“Together, we can do more, be better and go faster,” said Jim Skogsbergh, president and chief executive officer of Advocate Aurora Health. “This combination harnesses our complementary strengths and expertise of our doctors, nurses and teammates to lead health care’s transformation for those we are so proud to serve.”

Leadership pointed to the organizations’ combined clinical excellence – including in medical research and population health – as well as advanced capabilities in data analytics and digital consumer infrastructure as key value accelerators, which will allow them to make a positive impact across six key areas: clinical pre-eminence and safety, health equity, affordability, next-generation workforce, learning and discovery, and environmental sustainability. Highlights include a \$2 billion pledge to disrupt the root causes of health inequities across both rural and urban underserved communities, their commitment to achieve carbon neutrality by 2030 and a pledge to create more than 20,000 new jobs across the communities they serve.

The new organization will have a combined footprint across Illinois, Wisconsin, North Carolina, South Carolina, Georgia and Alabama. It will serve 5.5 million patients, operate more than 1,000 sites of care and 67 hospitals, employ more than 7,600 physicians and nearly 150,000 teammates, and have combined annual revenues of more than \$27 billion.

The Advocate Aurora Health and Atrium Health Boards of Directors unanimously approved the agreement, which is subject to regulatory review.

“We’ve long admired Atrium Health’s nationally recognized clinical excellence and commitment to health equity,” said Michele Richardson, chair of Advocate Aurora Health’s board of directors. “Given our combined reach, coupled with our talented physicians, nurses and staff, we are uniquely positioned to lead health care’s transformation and create a platform for innovation.”

“Advocate Aurora Health has a well-earned reputation as a national leader in diversity, equity and inclusion, as well as its value-based approach to care that has led to better outcomes and more affordable health care,” said Edward J. Brown III, chair of Atrium Health’s board of directors. “We share a bold vision for the future as we aspire to create a consumer-first system aimed at improving the lives of individuals across the diverse communities we serve.”

A board of directors comprising an equal number of members from Advocate Aurora and Atrium Health will govern the enterprise. Brown will chair the board of directors until December 31, 2023, and Richardson will assume leadership for the immediately succeeding two-year term. Skogsbergh and Woods will serve as co-CEOs for the first 18 months, at which point Skogsbergh will retire and Woods will become the sole CEO.

The combined organization will transition to a new brand, Advocate Health, with the Advocate Health and Atrium Health brands continuing to be used in their respective local markets. Wake Forest University School of Medicine will be the academic core of the combined entity. The new organization will be headquartered in Charlotte, while continuing to maintain a strong organizational presence in Chicago and Milwaukee, including a new institute for health equity located in Milwaukee.

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About Advocate Aurora Health + Atrium Health

The entities are creating a joint operating company to be known as Advocate Health. Existing assets will remain in each of the respective states. No assets will be transferred as part of the combination. Neither Advocate Aurora Health nor Atrium Health has agreed to assume any liability for or otherwise guarantee the other organization’s debt as part of the transaction. Any refinancing would be dependent on market conditions, management considerations and other factors. The combined system will deliver nearly \$5 billion in annual community benefit, including charity care and other forms of uncompensated and undercompensated care. A national leader in value-based care with 2.2 million managed lives across 15 Accountable Care Organizations (ACOs), four Clinically Integrated Networks (CINs) and nearly 60 value-based contracts, the new system will employ more than 7,600 physicians – including a broad primary care platform that includes 2,600 providers with a significant virtual and in-person care offering. It collectively employs nearly 150,000 team members and serves as one of the nation’s 10 largest graduate medical education programs with nearly 2,000 residents and fellows across 172 programs. Advocate Aurora and Atrium Health have been recognized as a “Best Employer” by Forbes in Illinois, Wisconsin, North Carolina, and South Carolina.

About Advocate Aurora Health

Advocate Aurora Health is one of the 12 largest not-for-profit, integrated health systems in the United States and a leading employer in the Midwest with 75,000 team members, including more than 22,000 nurses and the region’s largest employed medical staff and home health organization. Advocate Aurora holds an Aa3 bond rating according to Moody’s. A national leader in clinical innovation, health outcomes, consumer experience and value-based care, the system serves nearly 3 million patients annually in Illinois and Wisconsin across more than 500 sites of care. Advocate Aurora is engaged in hundreds of clinical trials and research studies and is nationally recognized for its expertise in cardiology, neurosciences, oncology, and pediatrics. The organization contributed \$2.5 billion in charitable care and services to its communities in 2020. We help people live well.

About Atrium Health

Atrium Health is a nationally recognized leader in shaping health outcomes through innovative research, education, and compassionate patient care. Based in Charlotte, North Carolina, Atrium Health is an integrated, nonprofit health system with more than 70,000 teammates serving patients at 40 hospitals and more than 500 care sites. It provides care under the Atrium Health Wake Forest Baptist name in the Winston-Salem, North Carolina, region, as well as Atrium Health Navicent and Atrium Health Floyd in Georgia and Alabama. The Charlotte Mecklenburg Hospital Authority, d/b/a Atrium Health, holds an Aa3 bond rating according to Moody’s. Atrium Health is renowned for its top-ranked pediatric, cancer and heart care, as well as organ transplants, burn treatments and specialized musculoskeletal programs. A recognized leader in experiential medical education and groundbreaking research, Wake Forest University School of Medicine is the academic core of the enterprise, including Wake Forest Innovations, which is advancing new medical technologies and biomedical discoveries. Atrium Health is also a leading-edge innovator in virtual care and mobile medicine, providing care close to home and in the home. Ranked nationally among U.S. News & World Report’s Best Hospitals in eight pediatric specialties and for rehabilitation, Atrium Health has also received the American Hospital Association’s Quest for Quality Prize and its 2021 Carolyn Boone Lewis Equity of Care Award, as well as the 2020 Centers for Medicare & Medicaid Services Health Equity Award for its efforts to reduce racial and ethnic disparities in care. With a commitment to every community it serves, Atrium Health seeks to improve health, elevate hope, and advance healing – for all, providing more than \$2 billion per year in free and uncompensated care and other community benefits.

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