



A Message from NCHA President & CEO Josh Dobson

>> As we reach the midpoint of 2026, I'm proud of what we've accomplished together on behalf of North Carolina's hospitals and health systems. While hospitals continue to face significant policy, regulatory, and financial challenges that threaten access to care, our collective voice has never been more important. NCHA has remained focused on advancing solutions that strengthen our healthcare workforce, protect the financial sustainability of our members, and ensure hospitals can continue serving communities across the state. This report highlights the progress we've made through collaboration, advocacy, innovation, and your continued engagement. Thank you for your partnership and your unwavering commitment to the patients and communities we serve.

Advocating Together

>> In 2026, healthcare policy in North Carolina and across the nation has remained a top legislative priority. NCHA, along with member government relations teams continue to engage in shaping legislation and advancing policy solutions that strengthen patient care and support the healthcare workforce.

Following the passage of H.R. 1 last year, federal and state agencies have shifted toward implementation as key provisions approach effective dates. NCHA continues to work with North Carolina's congressional delegation to ensure policymakers have the data and context needed to assess the law's impact on the healthcare system and on providers' ability to serve diverse communities across the state.

At the state level, lawmakers are managing a highly active agenda. As of this writing, 2,334 bills and resolutions have been filed — 1,244 in the House and 1,090 in the Senate. NCHA is actively tracking more than 170 measures affecting priority issues, including certificate of need reform, prior authorization, facility fee regulation, and emerging proposals addressing the use of artificial intelligence in healthcare administration, delivery, and billing.

One of the most significant enactments this year is [HB 696, Medicaid & HHS Adjustments/Other Critical Needs](#) (S.L. 2026-1), signed into law by Governor Stein on April 30, 2026. The legislation provides \$319 million in retroactive Medicaid rebase funding for FY 2025–2026

and revises hospital assessments and intergovernmental transfers (IGTs), aligning hospital tax structures to support administrative costs associated with new Medicaid work requirements. NCHA worked closely with the NC Department of Health and Human Services (DHHS), consistent with Board direction, to help shape the assessment framework and mitigate financial impacts related to H.R. 1.

[HB 1104, Improve IVC Process and Enhance Public Safety](#) (S.L. 2026-38), was approved by both chambers of the North Carolina General Assembly and has now been signed into law by the Governor. The legislation delays implementation of provisions in Iryna's Law that would have required individuals arrested — including those charged with violent crimes — to be transported to hospital emergency departments for court-ordered mental health evaluations. This change helps maintain safety for patients and hospital staff. NCHA will continue working with stakeholders as the Sheriffs' Association develops a telehealth pilot for conducting evaluations in jail settings.

Through sustained engagement by its policy committees, task forces, and advocacy efforts, NCHA continues to help shape outcomes on these priority issues.

On July 7, the Governor signed a budget bill — [SB 257, the 2026 Appropriations Act](#) (S.L. 2026-41) — into law. While the timing of final adjournment for the 2026 short session remains uncertain, legislators are on a temporary recess after adopting an adjournment resolution on July 2 that authorizes them to reconvene no earlier than July 27.

Preserving the Safety Net

>> The Centers for Medicare and Medicaid Services approved the SFY 2026 preprint for HASP with an estimated dollar amount of \$6.46 billion for North Carolina acute care hospitals, which will be the grandfathered maximum amount in future years. The actual payment amounts will be determined by actual paid Medicaid managed care utilization, which help NC hospitals absorb uncompensated costs. NCHA continues to monitor regulatory changes as it relates to HASP. The SFY 2027 preprint was also submitted to CMS for approval. The preprint was submitted with a pool of \$6.46 billion. Once approved by CMS, SFY 2027 payments will also be made to hospitals.

In a post H.R. 1 environment, NCHA will continue to work to preserve the safety net. This includes advocating to CMS, through the rule making process, to ensure they interpret and implement congress' state directed payment language in H.R. 1 in a more sustainable and less detrimental way to providers as the state works to come into compliance with evolving federal requirements.

This also includes NCHA pursuing the best allowable Medicaid payment and assessment opportunities in this new environment. As an example, due to advocacy efforts, the North Carolina General Assembly passed [HB 696](#) (S.L. 2026-1) which adjusted the statutory formula for hospital assessments and IGTs to allow hospitals to utilize assessments and IGTs more efficiently post H.R. 1. This legislation will greatly minimize the losses (by several billion, at minimum) hospitals would have experienced absent updates to the statutory framework due to interplay with H.R. 1 provisions not contemplated by NC legislators when the statute was written.

Protecting Funding and Reimbursement

>> NCHA continues to address payor issues to reduce denials and administrative burden on members. In addition to meeting periodically with NC DHHS on NC Medicaid, NCHA also works with member workgroups on various billing and reimbursement issues with other payors, such as commercial insurance and Medicare Advantage plans, to resolve larger systematic payor issues.

Protecting Access to Care

>> NC hospitals provide significant contributions toward the NC Medicaid program, which is a significant savings for our state. Hospitals provide approximately \$600 million annually towards the cost of Medicaid expansion on behalf of North Carolina. This year, NC hospitals committed to covering the increased costs of program eligibility requirements under H.R. 1. This additional annual financial contribution of \$45M secures the continuation of Medicaid expansion in North Carolina.

Harnessing the Value of Data

>> NCHA delivers data-driven insights to help members navigate policy changes and reduce financial risk. Our analyses support hospitals and health systems across North Carolina by:

- Reviewing proposed legislation to identify federal and state measures that can affect healthcare funding.
- Measuring the financial and operational impacts of changes to Medicaid expansion and HASP.
- Documenting the economic and workforce impacts of members.
- Offering timely reports on CMS quality and financial measures to members.
- Surveying NC hospitals to report on their community benefits.

NCHA also supports public health, academic research, and strategic planning through advanced data initiatives: In partnership with the NC Division of Public Health, 123 emergency departments are participating and account for approximately 4.5 million ED visits per year in North Carolina. Ninety two percent of all NC health system-associated urgent care facilities are reporting to the North Carolina Hospital Emergency Surveillance System (NCHES).

NCHA continues to collaborate with members on data linkages for researchers focused on topics of shared interest, including mental health and substance use disorders, rural issues, and Medicaid.

Monitoring Regulations

>> NCHA has maintained a strong federal regulatory advocacy presence throughout the year, ensuring North Carolina hospitals have a meaningful voice in the development of federal policies that affect patient care and hospital operations. To date, the Association has submitted comments on the 340B Drug Pricing Program Rebate Model Request for Information and the FY 2027 Hospital Inpatient Prospective Payment System (IPPS) proposed rule.

NCHA is currently preparing comments on the proposed State Directed Payments (SDP) rule and is awaiting publication of several key CMS proposed rules, including the Hospital Outpatient Prospective Payment System (OPPS) and Home Health Prospective Payment System (HH PPS) proposed rules.

In addition to formal rulemaking comments, NCHA continues to engage with federal agencies on high-priority regulatory issues, including the 340B Drug Pricing Program, artificial intelligence, and other federal initiatives that impact hospitals, health systems, and the patients and communities they serve.

Prioritizing Workforce

>> NCHA recognizes that its most valuable resource is the people who care for your patients. We continue to advance cross-sector strategies focused on recruitment, retention, and workplace safety:

- In partnership with the NC Department of Public Instruction, NCHA hosted its **second annual Virtual Healthcare Career Day** in February to inspire middle and high school students to explore healthcare careers. The event saw a 30% increase in viewers.
- NCHA's "**I Do Care**" paid social media campaign, running from March-May, generated strong statewide engagement, achieving more than 13.9 million impressions and 48,127 clicks. The campaign expanded its audience this year to reach adult learners including military service members and their spouses, community college students, and individuals considering a career change.
- In March, NCHA again sponsored the **NC HOSA State Leadership Conference**, engaging directly with aspiring healthcare professionals. Many students participated in interviews sharing their passion for the field, and NCHA awarded a scholarship to a student pursuing a career in health care.



- **The North Carolina Healthcare Foundation, in partnership with Bank of America, launched a rural workforce initiative** to strengthen talent pipelines for Critical Access Hospitals and Tier 1 rural communities. This statewide effort focuses on expanding training pathways, improving recruitment and retention strategies, and building long-term workforce infrastructure. Upcoming activities include a rural pre-conference session, "The Rural Advantage: Rethinking Pipelines, Prioritizing People," as well as a 2026 learning series centered on internships, social drivers of health, and employer-assisted housing. Additionally, the Foundation will select five rural hospitals to participate in a pilot workforce innovation project emphasizing internships, mentorship, and school and community partnerships.
- **NCHA Strategic Partners' workforce portfolio** includes partnerships with Camacho Consulting, Health Systems Consulting (HSC), Intellassist, Qualivis, and TOOTRiS, each contributing to expanded capacity, staffing solutions, and workforce support.
- In addition, NCHA collaborates with statewide partners to advance healthcare workforce solutions, including the North Carolina Clinician and Physician Retention and Wellbeing Consortium, the Center on the Workforce for Health, and the NC Chamber Foundation's Health Talent Alliance initiative.

Telling the Healthcare Story

>> NCHA continues to strengthen awareness among legislators, business leaders, the media, and the public about the vital role North Carolina's hospitals and health systems play in improving community health and driving the state's economy.

To reinforce this message, NCHA commissioned RTI International to produce ***The Economic Impact of North Carolina's Hospitals***. The report demonstrates that hospitals are among the state's largest economic engines, investing approximately \$44 billion annually in workforce and operating expenses, generating an estimated \$52 billion in total economic impact, and supporting more than 464,000 jobs across North Carolina.

NCHA also continues to expand its thought leadership through In Session, the Association's podcast exploring the most pressing issues affecting hospitals, patients, and the broader healthcare system. Designed for legislators, policymakers, healthcare leaders, and community stakeholders, the series provides timely perspectives on the policy challenges shaping healthcare in North Carolina.

In addition, NCHA continues its partnership with Curtis Media on Conversations on the State of Healthcare, a podcast highlighting the stories, innovations, and impact of hospitals and health systems from across the state. These storytelling efforts are reinforced through NCHealthcare.org, NCHA's annual Community Benefit Report, coordinated print and digital advertising campaigns, social media engagement, and strategic event sponsorships — creating a comprehensive communications platform that elevates the value and impact of North Carolina's hospitals.

Engaging Members in Education

>> NCHA education programs reached more than 375 hospital leaders, teams, and divisions through webinars and leadership programs.

The 2026 NCHA Winter Meeting welcomed more than 300 attendees, with sessions on behavioral health, AI, and advocacy. The Rural Health pre-conference brought together more than 80 healthcare leaders statewide.

Save the date for 2027: Winter Meeting, February 24–26 in Raleigh; Summer Meeting, July 14–16 in Wilmington. Send speaker and content suggestions to education@ncha.org.

Convening Change

>> As the charitable arm of NCHA, the North Carolina Healthcare Foundation (NCHF) accelerates initiatives from concept to sustainability, uniting hospitals, health systems, and community partners to improve health across the state. NCHF and NCHA share a bold vision: high-quality healthcare for every North Carolinian — no matter who they are or where they live.

Program Highlights

Bridge to Health

The Bridge to Health approach proactively engages and stabilizes high-need, complex patients and connects them to ongoing community care. This improves outcomes while reducing avoidable hospital use and costs.

The Duke Endowment funded six North Carolina sites to pilot the model beginning in 2026: Atrium Health Wake Forest Baptist Medical Center (Forsyth), Cone Health, ECU Health, Novant Health Forsyth Medical Center, and UNC Health. NCHF serves as the lead implementation partner, working with WakeMed Health (model developer) and the Duke Margolis Institute for Health Policy (evaluation partner).

Launched this year, the program began with site-specific model design and an April in-person symposium with WakeMed. The event strengthened cross-site collaboration and aligned partners on implementation goals. Next steps focus on technical assistance, peer learning, and readiness support ahead of full implementation.



From the 2026 Bridge to Health Symposium at WakeMed in Raleigh April 28-29 (pictured from left to right): Dr. LaPonda Edmondson, President of the NCHF, Dr. Mandy Cohen, National Advisor for Manatt Health, Jay Kennedy, Senior Program Officer, Health Care, at The Duke Endowment.

Small Rural Hospital Improvement Program (SHIP)

SHIP funding supports workforce development and capacity building in North Carolina's critical access and small rural hospitals through the CPHQ Certification Preparation and Professional Development Program (CCPD).

In May 2026, NCHF completed year six of CCPD, supporting eight rural hospitals from Murphy to Manteo. The program combines coursework, coaching, peer learning, and capstone projects that extend learning into practice.

Examples of outcomes include:

- Reduced blood culture contamination through provider education and standardized processes.
- Lower readmissions through improved multidisciplinary care coordination.
- Reduced falls and approximately \$13.7K in cost avoidance through ROI analysis.

Maternal Health Action Network (MHAN)

The Maternal Health Action Network supports hospitals in strengthening quality improvement efforts to address maternal health disparities. Demand has grown significantly, expanding from 9 to 30 participating hospitals.

In April 2026, more than 90 participants attended the Maternity Care Quality and Safety Forum in Chapel Hill, featuring national and local experts. Attendees highlighted the value of peer learning and practical strategies.

Post-event feedback showed strong impact: over 95% of participants felt confident applying what they learned. Planned actions included:

- Using maternal morbidity data to support staffing and budgets.
- Including patients in quality meetings.
- Developing volunteer doula programs.
- Sharing patient education resources.
- Improving care for pregnant patients with cardiac conditions.

Social Impact Playbook & Hub

NCHF's Social Impact Program advances cross-sector solutions to transportation and other social barriers to health through community-driven partnerships.

Key tools include:

- Social Impact Playbook: A framework for designing and sustaining community-led solutions.
- Social Impact Hub: A collaborative space to align partners, investments, and shared learning.

Together, these tools strengthen North Carolina's social impact ecosystem and support coordinated action toward improved health outcomes.



NCHA Strategic Partners

Your source for business solutions.

2026 MID-YEAR REPORT

NCHA Strategic Partners is your source for business solutions you can trust.

>> As the business arm of the North Carolina Healthcare Association, NCHA Strategic Partners (NCHASP) brings members trusted business solutions that help hospitals and health systems operate more efficiently and effectively. Through a portfolio of rigorously vetted business partners, we provide workable solutions, serve as a trusted resource for business education, and negotiate value on behalf of our members. Most importantly, the revenue generated through our programs is reinvested to support NCHA's advocacy efforts and advance a healthier North Carolina.

Kindest regards,

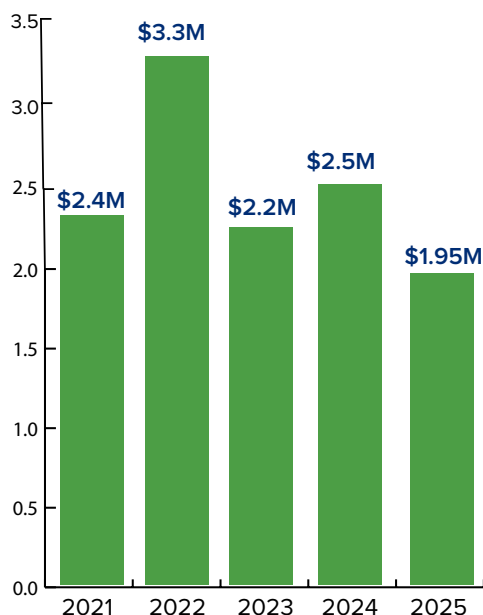
Jody Fleming

President, NCHA Strategic Partners
Senior Vice President, NCHA



NCHASP President Jody Fleming presenting at the 2026 NCHA Winter Meeting.

Five-Years of Investment in NCHA



Amount NCHA Strategic Partners contributed to NCHA operating expenses over the past 5 years.

NCHA Strategic Partners By the Numbers

10	Number of Sponsors gained through Solution Station
8	Number of New Business Partners
13	Number of New Sponsors
15	Number of Business Partners that are also Sponsors

Powering NCHA's Mission

The success of NCHA Strategic Partners directly advances the mission of the North Carolina Healthcare Association. In 2025, NCHASP contributed \$1.95 million to support NCHA's operations and an additional \$723,000 to advance the advocacy work of NCHA and support the North Carolina Healthcare Foundation. Together, these investments help strengthen advocacy, education, and initiatives that benefit hospitals, health systems, and the communities they serve across North Carolina.

Growing Our Portfolio of Innovative Business Solutions

NCHA Strategic Partners continues to expand its portfolio of vetted business solutions to address the evolving needs of North Carolina hospitals and health systems. This year, we welcomed several new business partners that provide innovative solutions to strengthen operations, improve patient care, and support workforce resilience.

Aidin — Aidin transforms care transitions with a digital platform that streamlines discharge planning and post-acute referrals. By connecting hospitals and post-acute providers in real time, it improves placement efficiency, reduces administrative burden, and supports better patient outcomes.

BatteryXchange — BatteryXchange streamlines rechargeable medical device battery management with automated kiosks that dispense charged batteries and collect depleted ones. It improves equipment availability, reduces loss, and frees clinicians to focus more on patient care.

Emmitec Health — Emmitec Health extends care beyond discharge with remote patient monitoring and chronic care management solutions. Integrated with major EHR platforms, it helps improve engagement, reduce readmissions, and support better long-term outcomes.

Glass Box Medicine — Glass Box Medicine helps healthcare leaders adopt AI through physician-led education, consulting, and

implementation support. It enables organizations to evaluate use cases and integrate solutions that improve clinical and operational performance.

Global Bridge Pharmaceutical — Global Bridge Pharmaceutical helps hospitals manage drug shortages by providing access to FDA-registered alternative supply sources. Led by pharmacists, it strengthens supply chain resilience and supports continuity of patient care.

iHLTH — iHLTH provides fast, affordable lab testing for employee health, occupational medicine, wellness, and patient care. With preferred pricing for NCHA members, it expands access to diagnostics while helping manage costs.

Qualify Health — Qualify Health helps hospitals identify patients eligible for financial assistance and charitable support. Its automated platform streamlines eligibility screening, improving access to care and reimbursement while reducing staff burden.

Special Updates

Expanding Access Through Strategic Collaborations

In 2026, NCHA Strategic Partners expanded collaborations with the North Carolina Medical Society and the North Carolina Community Health Center Association, giving providers across North Carolina access to vetted solutions, savings, and resources. These partnerships help reduce costs, improve efficiency, and support reinvestment in patient care and advocacy for better healthcare statewide.

Strengthening Disaster Preparedness

Following lessons from Hurricane Helene, NCHA Strategic Partners has expanded its disaster preparedness efforts by helping members proactively identify resources and solutions before emergencies occur. Through targeted outreach and education, we connect hospitals and health systems with trusted partners that support supply chain resilience, workforce continuity, emergency communications, backup power, and pharmaceutical access. By shifting from reactive response to proactive planning, we help members strengthen resilience and maintain continuity of care when it matters most.

Business Partner Highlights

Vizient — Vizient, the nation's largest provider-driven healthcare performance improvement company and GPO, continues to enhance its supply chain optimization, analytics, advisory, and performance improvement capabilities. Following its integration with Kaufman Hall, it has expanded financial, operational, and strategic expertise to help healthcare organizations address workforce, reimbursement, and supply chain pressures. Through its contract portfolio, analytics, and member networks, Vizient supports providers in improving quality, reducing costs, and strengthening long-term financial sustainability while delivering high-value care.

Qualivis — Qualivis is a hospital-designed managed service provider that helps health systems stabilize staffing, reduce labor costs, and improve workforce performance. Backed by

28 state hospital associations and the LotusOne platform, it offers real-time labor insights and access to clinical, IT, EHR, locum tenens, permanent, and international talent under transparent, hospital-aligned terms. Key programs include EHR support, locum invoice savings (6–10%), and accelerated H-1B nurse recruitment. With a 98% retention rate and strong satisfaction scores, Qualivis delivers a data-driven approach to workforce optimization.

NCHASP Workers Comp Fund — The NCHASP Workers' Compensation Fund provides stable, member-focused coverage and risk management for North Carolina healthcare employers, with an emphasis on claims management, workplace safety, and cost containment. It also delivered strong financial value, approving \$1.9 million in dividends in 2025, reflecting its financial strength and commitment to returning value to members.

NC MedAssist — NC MedAssist continues to expand access to affordable medications and essential health supplies for vulnerable populations across North Carolina. In 2026, its Free Pharmacy Program enrolled 961 new patients and dispensed 24,010 90-day prescriptions, representing an estimated \$10.4M in wholesale value and about \$5.68M in healthcare cost savings. The Mobile Free Pharmacy Program reached 7 counties, serving 7,768 families and distributing roughly \$1.3M in over-the-counter medications. Together, these efforts reduce medication barriers, improve adherence, and support better health outcomes statewide.

Bamboo — Bamboo Health improves behavioral and physical health outcomes through real-time care intelligence that connects providers with actionable insights. In North Carolina, 99% of hospitals share ADT feeds, enabling one of the nation's strongest care collaboration networks. Supporting over 1 billion annual patient encounters, Bamboo Health helps improve care coordination, reduce unnecessary utilization, and advance value-based care. Its solutions include Pings, Bridge for behavioral health navigation, AI-assisted transitions of care, and HCC coding gap analysis to strengthen engagement, outcomes, and financial performance.



NCHA Strategic Partners (including Irene Watts, Jody Fleming, and Kelsey Adams) attended SunRx's Regional 340B Roundtable in Charlotte with healthcare leaders from NC, SC, and VA to discuss the future of the 340B Drug Pricing Program.