

CarolinaEast
Medical Center

SECU
Comprehensive
Cancer Center
at CarolinaEast
Medical Center

John & Reba Aylward
Diagnostic Center

CarolinaEast
Surgery Center

CarolinaEast
Rehabilitation
Hospital

CarolinaEast
Physicians

CarolinaEast
Foundation

CarolinaEast
Wound Healing &
Hyperbaric Services

Crossroads
Mental Health

November 8, 2024

Dear CarolinaEast Team Member,

Thank you for your tireless contributions to ensure a healthier, more vibrant Coastal and Eastern North Carolina. Your dedication and ability to provide award-winning care to our community is nothing short of amazing. We are proud of all we have accomplished and will continue to achieve together.

At a time when hospitals across the country are struggling to break even or being acquired by large, out-of-market, and often private/for-profit entities, we are fortunate to have a locally owned and operated health system that remains committed to our community. Together, we are beating the odds.

While we will continue to navigate broad changes to the healthcare environment, we should not have to overcome unnecessary roadblocks at home.

During recent lease negotiations with the Craven County Board of Commissioners, it became clear that not everyone understands the value you and our system provide to the community each day. Decades ago, the land where CarolinaEast operates was gifted to Craven County by the state specifically for a local hospital. For 35 years, CarolinaEast and Craven County have operated on a lease agreement that charged no rent in exchange for the hospital providing county-obligated critical services, such as EMS, at no cost to the taxpayers, not to mention millions of dollars in annual charitable care and community support. In addition to the considerable expense of providing these valuable services, the county now requires us to pay hundreds of thousands of dollars in annual rent.

Despite this unexpected financial burden, we are confident in our ability to continue providing high-quality care as an independent hospital far into the future. But to do so, we must all work together. This includes each of us at CarolinaEast, the community we serve, and our elected leaders.

I can't stress enough that a locally owned and independent hospital is one of our region's greatest public assets. As the second largest employer in Craven County, CarolinaEast is critical not only to the physical health of our community but also to its economic well-being. And, while we will continue to be a model corporate

citizen, we will have fewer dollars to share with the many worthwhile organizations who have come to rely on us.

In the coming year, we are committed to more intentionally arming you with the details of various macroeconomic challenges we face and more energetically celebrating your great work. We believe that your voice matters. I hope that together, we can help our community and leaders understand and support your life-changing work and proudly embrace our independent hospital system as a pillar of this community.

Sincerely,



Michael C. Smith, CPA
President/Chief Executive Officer