



NORTH CAROLINA

PRIVATE EQUITY
RISK SCORE

86_{/100}



VERY HIGH RISK

KEY TAKEAWAYS:

- North Carolina is among the top 10 states for the share of hospitals controlled by private equity.
- North Carolina is among the 10 states with the highest average rate of readmission after discharge at private equity-controlled acute care hospitals compared to the average for all hospitals in the state.
- North Carolina is among the top 10 states for the number of layoffs at private equity-controlled companies as a share of the state's total private sector workforce.

PRIVATE EQUITY RISK

Higher Score = Greater Risk
Risk score from 0 to 100

| Category | Risk Score |
|--|---------------------------|
| Workers and Jobs | 43 _{/100} |
| Share of private sector workforce at private equity-controlled companies (Average 2018-2022) | 8.8% |
| Change in the share of workforce controlled by private equity from 2018 to 2022 | 24.3% |
| Layoffs at private equity-controlled companies (2015-2022) | 4,604 |
| Employee deaths and hospitalizations at private equity-controlled companies (2018-2022) | 31 |
| Health Care | 79 _{/100} |
| Share of hospitals that are private equity-controlled | 13.3% |
| Average Medicare patient survey rating of private equity-controlled acute care hospitals (1 = lowest, 5 = highest) | 2.9 |
| Rate of readmission after discharge from private equity-controlled acute care hospitals | 14.6% |
| Share of nursing homes that are private equity-controlled | 16.2% |
| Average Medicare quality rating of private equity-controlled nursing homes (1 = lowest, 5 = highest) | 2.0 |
| Substantiated complaints per private equity-controlled nursing home (2019-2022) | 18.2 |
| Share of population in a metro area where a single private equity firm controls over 30% market share of one or more physician specialties | 19.7% |
| Housing | 82 _{/100} |
| Percentage of homes purchased by medium, large and mega investors (2018-2022) | 9.9% |
| Change in share of homes purchased by medium, large and mega investors from 2018 to 2022 | 90.5% |
| Public Pensions | 68 _{/100} |
| Share of state pension assets invested in private equity | 6.4% |
| Share of state pension assets covered by private equity fee disclosure (including carried interest) | 0.0% |
| Share of state pension assets covered by responsible contractor policy | 0.0% |





NORTH CAROLINA

STATE POLICY SOLUTIONS TO ADDRESS PRIVATE EQUITY RISKS

| Workers and Jobs | Adopted? |
|--|----------|
| <p>Severance for mass layoffs: For mass layoffs, require 90 days advance notice and require employers to pay one week of severance pay for each year of employment</p> | |
| <p>Bonding for unemployment insurance: Require private equity-controlled companies with high debt ratios to post a bond to the unemployment insurance system to cover unemployment insurance taxes in the event of a bankruptcy</p> | |
| Health Care | Adopted? |
| <p>Review of health care mergers: Require notice, public review or approval process for hospital and other health care mergers</p> | |
| <p>Medical debt collection: Regulate medical debt collection</p> | |
| <p>Nursing home staffing: Require specific percentage of Medicaid or overall revenues in nursing homes to be spent on staffing costs for patient care</p> | |
| <p>Hospital fees: Limit hospital facilities fees</p> | |
| Housing | Adopted? |
| <p>Good cause evictions: Prohibit evictions of tenants for reasons other than specified causes, such as non-payment of rent</p> | |
| <p>Rental cost caps: Cap annual rent increases statewide at inflation plus a small percentage or allow local jurisdictions to cap rent increases</p> | |
| <p>Tenants' right to purchase: Give tenants of mobile home parks and multi-family housing advance notice of sales and first right of refusal to purchase</p> | |
| <p>Landlord registry: Create a mandatory registry to identify beneficial ownership of all corporate landlords with multiple holdings</p> | |
| State Pension Funds | Adopted? |
| <p>Fee disclosure: Require disclosure of all fees paid to each private equity fund by state pension funds</p> | |
| <p>Compliance with all state laws: Require signed affirmation from private equity fund managers that all of their portfolio companies comply with state labor laws, environmental laws and health codes</p> | |

