



June 17, 2021

Our Shared Vision: Health Care For Michigan, By Michigan

Dear Fellow Michiganders,

The past year has caused many of us to think differently and explore new ideas around how our communities receive and access health care. To improve health in our communities across Michigan, we need to make health care easier to access and more affordable. Leaders from Beaumont Health and Spectrum Health recognize the opportunity to lead these initiatives and are now determining how our health systems could work together to provide even greater value to our communities.

We are enthusiastic about the prospect of bringing together two of Michigan's most respected health systems to create a new system that improves the health of individuals throughout the state. Together, we will have the ability to further build a high-quality health care and coverage network that is For Michigan, By Michigan.

Beaumont Health and Spectrum Health have long track records of serving our respective communities, and Priority Health, a division of Spectrum Health, continues to be a top-rated health plan. Combining these entities to create a new system will improve the value of health care for a larger number of Michiganders across the state.

Here are **five guiding principles** that will guide us as we explore this opportunity:

- 1. *Community Engagement*** – Our communities have a history of being engaged with how care is delivered and improved. We believe the best way to run a community-guided health system will be through local control, learning from and building off one another.
- 2. *Physician, Clinician and Team Member Involvement*** – Physicians, nurses and other team members who are closest to the people we serve have built cultures of excellence, innovation and inclusion. Their input and experience will be critical to realizing the mission and vision of the new organization. Together, we can do more to attract and retain top health professionals to live and work in Michigan.
- 3. *Exceptional Care for All*** – A continued focus on quality and safety and providing exceptional and equitable health care outcomes for all patients, health plan members, our communities and team members will always be at the center of our work. In particular, each organization's efforts to promote health equity among under-represented populations will be prioritized.
- 4. *Competitive Value*** – The strengths of our two organizations allow us to operate efficiently to deliver affordable care and coverage. We will also collaborate and work with other health systems and insurance companies to achieve affordable care and coverage.

- 5. *Positioned to Thrive*** – The creation of a new system by Michigan’s two top health systems, including the nation’s third-largest provider-sponsored health plan, will enable us to invest in innovative and digital capabilities to improve both the experience and health care outcomes for all Michiganders.

We recognize our communities and team members will have questions and we are committed to sharing updates throughout this process. In these discussions, some initial decisions include:

- **Investing in Our Communities:** Beaumont Health and Spectrum Health remain committed to investing in our communities and existing infrastructure. Specific capital business plans already approved by the respective boards will continue as planned. Future major capital investments will be considered by the new health system Board of Directors with input and direction from local boards, management and physicians. The efficiencies we create as a new organization will enable increased capital investment. Examples of capital needs include: medical education, private rooms, digital and innovative medical technologies, physician offices, behavioral health and outpatient facilities, as well as basic infrastructure needs.
- **Team Members:** We are incredibly grateful for the exceptional care and service our team members provide to our patients, members and communities every day. Together, we want to be the best place to work and practice medicine, and to foster a culture where our teams feel valued and supported and have a strong sense of belonging.
- **Medical Staffs:** Medical and health care decisions are made best locally. We will respect the current medical staff structures, and our medical staffs will continue to function locally while collaborating to share best practices and to advance high-quality clinical care.
- **Foundations:** Local foundations will continue to support health care locally with a commitment that funds raised in local communities will stay in those communities.
- **Continued Commitment to Research and Education:** Academics and research will be integral to the new organization. Through collaboration with medical and other professional schools, including Oakland University, Wayne State University and Michigan State University, the new organization will serve as a leading teaching and learning institute, fostering innovation to always remain at the forefront of medicine.
- **Branding:** Beaumont Health and Spectrum Health are strong brands in their respective markets. There will be no immediate changes to the legacy brands. Those names will remain in our local markets pending adoption of the overall branding plan by the System Board. We will work together to determine a path forward that honors the legacy

June 17, 2021

brands and will engage physicians, team members, donors and the community in that process. The temporary legal name of the new organization will be “BSH System.”

- **CEO and Board Chair:** The President & CEO of the new organization will be Tina Freese Decker, the President & CEO of Spectrum Health. The first Board Chair of the new organization will be Julie Fream, the Board Chair of Beaumont Health. John Fox, President & CEO of Beaumont Health, will help ensure a successful transition to the new health system. Following this transition, he plans to leave the organization. A thorough process will be developed to identify and select the BSH Beaumont Health president.
- **Board Governance:** The new organization (BSH System) will be governed by a new systemwide Board of Directors. The 16-member Board will include: seven seats appointed by Beaumont Health, seven seats appointed by Spectrum Health, the President & CEO of the new system, and a new Board member to be appointed following the creation of the new system. The Board will include at least three physicians. Local fiduciary boards with committed community board members will remain in place to provide governance and leadership to the BSH Beaumont Health, BSH Spectrum Health West Michigan, BSH Spectrum Health Lakeland and Priority Health divisions. Each board will retain local governance oversight over key areas unique to the communities we serve.
- **Headquarters:** The new system will have dual headquarters in Grand Rapids and Southfield. The President & CEO and the senior executive leadership team will spend time on both sides of the state.

We anticipate reaching an integration agreement and receiving regulatory approval in the coming months, and hope to complete this process this fall.

Our new system is not about Beaumont Health or Spectrum Health. It is about the people we care for across the state. We value your perspectives on how we can improve health care outcomes and provide even greater value for our communities and will listen to your needs as we move forward together. To learn more and stay up to date with our progress, please visit www.formichiganbymichigan.org.

We are energized by this opportunity to create a stronger future – one that provides accessible, affordable and equitable health care and coverage for people across our state.

Thank you for allowing us to share this with you.

Sincerely,

Julie A. Fream

Julie A. Fream
Chair, Beaumont Health Board



Robert W. Roth
Chair, Spectrum Health System Board