

Beaumont

Creating a new health care system For Michigan, By Michigan

Team,

On behalf of the Beaumont Health Board of Directors and our entire leadership team, we are grateful to each of you for your courage, hard work and dedication to our patients and to one another over the past year and a half. Through it all, you have continued to provide compassionate, extraordinary care for our communities every day.

As you know, for some time we have been evaluating options for a strong partner. Health care continues to evolve rapidly, and our goal is to ensure people throughout the state have health care that is more accessible, equitable and affordable. **To that end, we want to share with you that Beaumont Health and Spectrum Health have signed a Letter of Intent to explore how we can best serve our communities together by creating a new high-quality health care system that is For Michigan, By Michigan.**

Our organizations are positioned for success together. We know Spectrum Health, and we are united in a shared commitment to Michigan. Our two not-for-profit systems share similar missions, visions and values and have long track records of providing excellent care for our communities. Importantly, Spectrum Health brings health plan capabilities to Beaumont Health through its Priority Health division, a nearly 30-year-old, patient-focused health plan with more than one million members.

What This Means For Our Physicians

Extensive Network Known for Excellence: Our new health system will connect an expansive statewide network of physicians together to share best practices and advance clinical care. We will bring together strong urban care delivery systems with an extensive rural health network, committed to medical education and research with renowned expertise in community health and engagement.

Shared Commitment to Quality: Beaumont Health and Spectrum Health are both committed to the highest quality care and bring complementary clinical strengths to the table. Beaumont Health has 19 *U.S. News & World Report* nationally ranked specialties, and Spectrum Health has a top 50 children's hospital and a 3-star cardiac CABG surgery program, which is the highest rating possible from the Society for Thoracic Surgeons. Together, we will raise the bar for how care is delivered across the state.

Strong Physician Relationships: We also both value strong relationships with our physicians and understand that health care decisions are made best locally. We share similar physician models and will respect current medical staff structures. Our medical staffs will continue to function locally while collaborating to share best practices and advance high-quality clinical care.

Advancing with Priority Health: Priority Health, a nearly 30-year-old health plan and a division of Spectrum Health, is a top-rated health plan with more than one million lives. With Priority Health being a patient-focused health plan, we can do more to make care more affordable for patients. We

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will also have the opportunity to collaborate with Priority Health in ways that will benefit our community, employers, health plan members and providers.

- For example, Spectrum Health physicians and Priority Health have worked together to reduce physicians' administrative burden and to ensure reimbursement models are aligned with quality outcomes, value and health plan members' needs. Priority Health also has a Spectrum Health-specific health insurance product.
- In the future, we expect to have similar opportunities to collaborate with Priority Health.

We will soon share details about upcoming opportunities to learn more about our plans to create a new system with Spectrum Health, and what this means for you and the patients and communities we serve.

About Our New System - For Michigan, By Michigan

Signing the Letter of Intent is the first step in creating a new health system. **Here is what is most important for you to know at this stage:**

- **Nothing changes today.** Our organizations will go through a thoughtful integration process to shape our shared future. There are no immediate planned changes to employment, clinical reporting structures or compensation, and we do not anticipate any hospitals or services closing as a result of our integration.
- **We expect that the new health system would provide new opportunities for our employees and physicians,** including opportunities to share knowledge and best practices with health care peers and leaders across the state. 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.
- **The new system will be governed by a new systemwide Board of Directors made up of an equal number of appointed representatives from Beaumont Health and Spectrum Health.** The Board will include at least three physicians. Local fiduciary boards will also remain in place with their current committee structures to provide governance and leadership over key areas unique to the communities we serve. The temporary legal name of the new organization will be "BSH System."
- **The first Board Chair will be Julie Fream, the Board Chair of Beaumont Health. The President & CEO of the new system will be Tina Freese Decker, the President & CEO of Spectrum 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.
- **The new system will have dual headquarters in Southfield and Grand Rapids,** with the President & CEO and senior executive leadership team spending time on both sides of the state.
- **Beaumont Health and Spectrum Health are strong health care brands in our 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. The new BSH System will work together to determine a path forward that honors the legacy brands and will engage physicians, employees, donors and the community in that process.

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We hope to complete this process, which is subject to the execution of an integration agreement and applicable regulatory reviews, this fall. In the meantime, our patients and communities can continue to count on Beaumont Health for excellent care from providers they know and trust. To learn more and stay up to date with our progress, please visit www.formichiganbymichigan.org.

Your care and compassion are the heart of Beaumont Health. You have built a culture of excellence, innovation and inclusion, and your input and experience will help us realize the benefits of our new organization.

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. As always, thank you for everything you do for Beaumont Health, our patients and communities.

Beaumont Health Board of Directors

Dr. David Wood
Chief Medical Officer