

Restructuring and transitioning Beaumont for future success

Folks,

We have worked diligently over the past year to design our second Beaumont Health Strategic Plan to guide us for 2019-2021. This critically important endeavor involved our Board and a broad cross section of system clinical and administrative leadership.

As we enter our first month of the new strategic plan, we are ready to implement various organizational changes designed to make Beaumont a more effective, efficient system, enabling us to continue to lead in health care in Michigan and beyond.

Below is a very important message from our Chief Operating Officer, Carolyn Wilson. It describes specific elements of the restructuring we are implementing to pivot toward our new strategic goals and structure the organization most effectively. We support these positive, exciting changes because they position us to continue to deliver great care and service to our patients and families going forward.

Most importantly, I thank all of you for your great work during our first three-year strategic plan cycle, and I look forward to our continued successes together.

My best,



John Fox
President and CEO

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Dear colleagues,

We all understand the business of health care is changing at a remarkably rapid pace.

- Newcomers from outside the industry are competing for patients in novel ways.
- Employers and insurers demand lower health care costs through wellness and chronic disease management.
- Technology makes it possible to deliver lower-cost care in outpatient facilities, ambulatory surgery centers and at home for a growing range of conditions.
- Above all, consumers have made it clear they want to be able to access care when and where they want to, which is often not in a hospital.

This is the transition from volume-based World A to value-based World B that John Fox has talked about since we came together as Beaumont Health. It is not just a future possibility — it is happening now.

Starting this month, Beaumont's new three-year strategic plan provides a path for Beaumont to remain effective and successful in this World B environment through our overarching goal: **we will grow the number**

of people who look to us for care by 10 percent by embracing patient and family-centered care and continuing our commitment to quality and patient safety.

One of our strategies states we must **redesign care to lead in quality, patient safety, access and cost**. While we continue to support hospital-based care, to reach our goal we must create more access through a network of acute care campuses, outpatient and retail sites, shared services and programs, and joint ventures and partnerships.

To support this transition, certain portions of Beaumont's hospital operations will be restructured, effective Friday, Feb. 1. This will enable us to:

- strengthen our focus on outcomes as a system in terms of patient and family-centered care, quality and safety, culture and strategy
- reduce silos between sites and services and become even more consumer focused
- continue to implement efficient and effective systems throughout the organization, including improved decision-making processes
- allocate resources toward where the industry is going
- demonstrate our commitment to people, growth, advancement and succession planning

Areas of focus

The transition has three main areas of focus:

1. Restructuring hospitals to operate as acute care campuses

Inpatient services will continue to be an important part of our care model. And, our hospital campuses are also providing more and more outpatient services. We plan to grow and develop acute care overall, with new roles for and oversight by these talented leaders:

- **Nancy Susick, RN**, will take on the role of president of Royal Oak. She is a proven leader, as shown by the success of her team at Troy since she became the site's president in 2012. Her academic scope and deep commitment to patient and family-centered care will serve her well.
- **David Claeys** has been appointed president for the Dearborn and Farmington Hills campuses. As president of Beaumont Hospital, Dearborn since 2017, Dave has focused on engaging physicians and all levels of staff to better serve their patients — experience that will aid him in this expanded position.
- **Christine Stesney-Ridenour**, currently the president of Beaumont Hospital, Trenton, will become president for the Taylor, Trenton and Wayne campuses. Her operations acumen has made a positive impact on physicians, leaders and employees alike, and I look forward to her success in this new, broader role.
- **James Lynch, M.D.**, who is the chief medical officer for Troy, will serve as president of both Troy and Grosse Pointe campuses on an interim basis. We appreciate Jim's talents as a physician and administrative leader, and I look forward to his leadership of this dynamic part of our business.

2. Growing Beaumont's outpatient services

This includes all outpatient-billed activity that is not on an acute care campus or Beaumont Medical Group clinic, as well as current and future ambulatory surgery centers and campuses. It also encompasses our

urgent care sites, imaging and radiology, telehealth and e-visits, Beaumont Mobile Medicine EMS services and our Access Center.

To oversee this, **Connie O'Malley, RN**, has been appointed president, Outpatient Services. As president of Beaumont Hospital, Farmington Hills, Connie has led the team through significant growth in operations and a major renovation of the campus that will have its grand opening next month. I look forward to the innovation and accomplishments ahead as Connie takes on this exciting new opportunity.

3. Expansion of certain clinical care programs and clinical shared services

This new area will have direct responsibility for shared clinical services including pharmacy and laboratory. It will also coordinate certain clinical care programs, clinical services, clinical effectiveness and system programs. This will bring consistency and clarity to oncology, women's and children's, orthopedics and neuroscience, as well as system programs such as, but not limited to, emergency centers and their physicians and perioperative services including anesthesia.

Lee Ann Odom has been appointed president, Shared Services. As the president of our Taylor hospital, Lee Ann has had great success building their orthopedic and joint replacement programs. In addition to her new responsibilities, she will continue to be the liaison with Universal Health Services, overseeing our mental health services expansion. She is well positioned to grow this vital part of Beaumont's future business.

Non-clinical shared services — including environmental services, food and nutrition, biomed, real estate, construction and design, property management, safety and security, and managing the Beaumont Service Center — will continue to report to me.

Leadership changes

Rick Swaine, current president of Beaumont Hospital, Grosse Pointe, will be leaving Beaumont to pursue other opportunities. During his more than 30 years of service to the system, he has led his team in making Beaumont, Grosse Pointe an award-winning community resource with a Magnet-designated nursing program. Please join me in thanking Rick and wishing him well.

Rosanna Morris, RN, currently the Beaumont Hospital, Royal Oak president, resigned at the beginning of the year to enable her to accept an executive leadership position with MD Anderson Cancer Center in Houston. Rosanna has overseen a great deal of growth and expansion during her tenure at Royal Oak, including opening the renovated emergency center and the first proton therapy center in Michigan. We congratulate her and celebrate this decision, which she made for compelling personal and professional reasons. Be sure to join me in wishing Rosanna all the best with her new opportunity.

Eric Widner, current president of Beaumont Hospital, Wayne, will be leaving Beaumont to pursue other opportunities. During his ten years of leadership, the team has served the diverse needs of Wayne and surrounding communities. Eric solidified Beaumont, Wayne as a community asset and served Beaumont's interests on several local and regional boards. Please join me in thanking Eric for all he has accomplished.

These leadership changes complete the reorganization at the hospital president level. Making these changes now allows us to focus on our strategic plan from the start of the New Year.

More specific details on how the reorganization may affect your work will be coming soon from your local leadership. In most cases, your work will not be impacted.

What stays the same

This is a time of change, at Beaumont and in the field of health care. We completely understand the mixed emotions, as some people leave the organization or transfer to other responsibilities. Even if your role isn't changing, it can still be a stressful time — and also extremely exciting.

We assure you that the core of our work at Beaumont will remain the same:

- We will continue our commitment to deliver on our Mission of compassionate, extraordinary care every day and our Values: Compassion, Respect, Integrity, Teamwork and Excellence.
- We will continue to pursue our Moonshot goal through your partnership with patients and families.
- We will support you professionally and personally, so you can do your best work.
- We will ask for and act on your feedback to improve care and work processes and programs.

With our new operational structure in place, I look forward to what we can accomplish together as we connect with and care for the people of southeastern Michigan and beyond.

Thank you,

A handwritten signature in black ink that reads "Carolyn". The signature is written in a cursive, flowing style.

Carolyn Wilson, RN
Executive Vice President and Chief Operating Officer

This message was shared with all Beaumont Health employees.