



For Immediate Release

Mary Masson
Michigan Medicine
734-764-2220

Laura Blodgett
Saint Joseph Mercy Health System
734-712-4536

**Saint Joseph Mercy Health System and Michigan Medicine
Announce Interest in Developing St. Joseph Mercy Chelsea
Joint Venture**

Parties to explore expanding surgical and inpatient services

ANN ARBOR and CHELSEA, Mich. – (March 15, 2017) – Saint Joseph Mercy Health System (SJMHS) and Michigan Medicine, the academic medical center of the University of Michigan, today announced their plans to establish a joint venture for the 133-bed St. Joseph Mercy Chelsea (SJMC) hospital, located in Chelsea.

The two parties have signed a letter of intent launching a due diligence period during which final details of the joint venture will be determined.

"Michigan Medicine wants to partner with health care organizations that deliver high quality and high value," said David Spahlinger, M.D., president of the University of Michigan Health System, the clinical care unit of Michigan Medicine.

"Saint Joseph Mercy Health System has a long-standing, positive reputation for delivering high-quality care to their communities. We look forward to working together on improving health care access and quality for the local community and the entire state."

With the signing of the letter of intent, the two parties will begin working out the terms of a definitive agreement under which both SJMHS and Michigan Medicine will have an interest in St Joseph Mercy Chelsea. SJMHS will maintain control and will manage hospital operations, including appointing its leaders.

This joint venture allows two strong health systems with excellent care delivery models to join forces and strengthen care delivery between the statewide network of Trinity Health's tertiary and health care facilities, and Michigan's premier center for highly specialized, complex care cases.

"This emerging relationship is groundbreaking in Michigan," said Rob Casalou, regional president and CEO, Saint Joseph Mercy Health System. "Patient-centered collaboration is in the best interests of our communities. Together we can offer high-quality care locally and higher levels of specialized care when necessary."

Once approved, the potential agreement will expand the surgical procedures Michigan Medicine provides at the Chelsea hospital. The agreement will also increase access to U-M physicians for patients in Chelsea and elsewhere in western Washtenaw County.

"We are excited to bring our capabilities closer to patients," said Dr. Spahlinger. "We have long cared for patients who live in the greater Chelsea area – but who travel to and from Ann Arbor for their care. With this affiliation, Chelsea-area patients will have expanded care choices closer to home."

"The planned joint venture expands upon years of successful collaboration between our two organizations with the inpatient family medicine teaching service and faculty practice on the St Joseph Mercy Chelsea campus," said Nancy Graebner, president and CEO, St. Joseph Mercy Chelsea.

"This natural progression of our relationship will enhance our ability to provide a broader range of services jointly with Michigan Medicine."

All SJMC hospital staff will remain SJMHS employees, and no staff reductions will take place as a result of this agreement. SJMC will retain its Catholic identity and continue to abide by the Ethical and Religious Directives.

Nationally recognized for both quality of care and patient satisfaction, SJMC employs more than 1,200 individuals with a medical staff of approximately 500 physicians. Key services include robust medical and surgical service lines, six operating rooms, a 24-

hour emergency department and senior emergency room, state-of-the-art cancer center with TrueBeam™ linear accelerator, physical medicine and rehabilitation department, a comprehensive head pain treatment unit and behavioral health services.

This agreement is part of a larger statewide strategy between Trinity Health-owned Mercy Health and SJMHS, and Michigan Medicine. These expanded relationships follow the February announcement of a professional services agreement between Mercy Health cardiothoracic surgery and the department of cardiac surgery at Michigan Medicine. Additionally, the organizations will work together to enhance the clinically integrated network delivery models to serve west Michigan, and will collaborate in graduate medical education.

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About Saint Joseph Mercy Health System

Saint Joseph Mercy Health System (SJMHS) is a health care organization serving seven counties in southeast Michigan including Livingston, Washtenaw, Wayne, Oakland, Macomb, Jackson, and Lenawee. It includes 537-bed St. Joseph Mercy Ann Arbor, 443-bed St. Joseph Mercy Oakland in Pontiac, 304-bed St. Mary Mercy Livonia, 136-bed St. Joseph Mercy Livingston in Howell, and 133-bed St. Joseph Mercy Chelsea. Combined, the five hospitals are licensed for 1,553 beds, have five outpatient health centers, six urgent care facilities, more than 25 specialty centers; employ more than 16,200 individuals and have a medical staff of nearly 2,700 physicians. SJMHS has annual operating revenues of about \$1.9 billion and returns about \$120 million to its communities annually through charity care and community benefit programs.

SJMHS is a member of Trinity Health, a leading Catholic health care system based in Livonia, Mich. Trinity Health operates in 22 states, employs about 97,000 people, has annual operating revenues of about \$15.8 billion and assets of about \$23.4 billion. Additionally, the organization returns almost \$1 billion to its communities annually in the form of charity care and other community benefit programs.

For more information on health services offered at Saint Joseph Mercy Health System, please visit www.stjoeshealth.org

About Michigan Medicine

At Michigan Medicine, the academic medical center of the University of Michigan, we create the future of healthcare through the discovery of new knowledge for the benefit of patients and society; educate the next generation of physicians, health professionals and scientists; and serve the health needs of our citizens. We pursue excellence every day in our three hospitals, 40 outpatient locations and home care operations that handle more than 2.1 million outpatient visits a year. The U-M Medical School is one of the nation's biomedical research powerhouses, with total annual research funding of more than \$470 million.

More information is available at www.michiganmedicine.org