Rethinking Our Mission in Detroit

Transformation of Obsolete Inpatient Space in Challenged Neighborhoods

Panel Guests:
Sister Linda Werthman
Mike Slubowski
Rev. Oscar W. King, III
Scott Keller

Presented By:
Dave Spivey
William D. Evo

Agenda

• 3PM – 3:40PM (CST)
  - Iterations of “The Samaritan Center” with Panel
  - Replication Effort

• 3:40PM – 4:00PM (CST)
  - Open for Questions
History Of Mercy/Trinity Health’s Detroit Ministry

- 1917, Evangelical Deaconess Hospital
- 1922, St. Joseph Mercy Hospital
- 1983, Eminent domain by City of Detroit
- 1984, Mercy Hospital – Detroit opens (originally named Samaritan Health Center)
- 2000, Exhaustive analysis for transformation
- 2001, Mercy Hospital – Detroit becomes The Samaritan Center

We Wish To Pose A Question (Not An Answer)

- Given the increasing difficulty in operating traditional hospitals in challenged settings and our mission to serve the poor, does Catholic healthcare have a special responsibility to lead the way in transforming these assets?
Panel

Linda Werthman, RSM, Ph.D.

- Sister of Mercy – Social Worker – Detroiter
- Chair of Catholic Health Ministries the Sponsor of Trinity Health and member of Trinity Health Board
- Catholic Healthcare Governance 1998-2017
- Former Leader for Sisters of Mercy, Detroit 1998-2005
Mike Slubowski, FACHE, FACMPE

- President and Chief Operating Officer of Trinity Health
- Past President and Chief Executive Officer of SCL Health
  - While at SCL Health, Mike formulated a new vision statement, realigned with partners in Kansas and California, implemented a joint operating agreement with National Jewish Health, acquired Platte Valley Medical Center and created new partnerships for home care, retail imaging, virtual health and micro hospitals
  - Developed new strategic priorities of person-centered care, ministry excellence, accountable health, provider partnership, growth, skill scale learning and associate empowerment
- Past President, Health Networks for Trinity Health
- Over 40 years of experience in hospital management with organizations such as Henry Ford Health System (MI), St. Joseph’s Hospital (MI), Samaritan Health Services (AZ), Providence Hospital (MI) and Mercy Health Services (MI)
- Board of Directors, Catholic Health Association
- BA in Business Administration and MBA, Wayne State University

Rev. Oscar King, III, D. Min.

- Pastor of the Northwest Unity Missionary Baptist Church
- Detroit Practice Leader, Kelley Cawthorne
- Past President, Council of Baptist Pastors for Detroit Vicinity
- Past Chair of the Board of Trustees for St. John’s Northeast (formerly Holy Cross and Saratoga Hospital)
- Past Board Member, St. John Health System
- Executive Director, Detroit Neighborhood and Family Initiative (DNFI)
- Former US Federal Foreclosure Commissioner for Dept. of Housing and Urban Development (HUD)
- Past Chair of the Board for Detroit Urban League
- BA in Architecture, Howard University
- Master's Degree in Land Economics and Real Estate, Harvard University
- Master of Divinity (Equiv.) and Doctor of Ministry, Ecumenical Theological Seminary
Scott Keller

- President & Partner, Dynamis Advisors, Inc.
- Over thirty five years of experience with public/private real estate ventures and unique public/private healthcare partnerships
- Led Dynamis team on over 70 hospital reuse assignments including Mercy Hospital – Detroit
- Serves on Board of Directors for SCL Health
- Author of newly published book “Finding Our Place” discussing the future of cities through the lens of repurposing inner city hospitals
- Currently advising Trinity Health on Samaritan 3.0 and replication efforts in Cody Rouge

William D. Evo, JD

- Director of Physician Alignment, St. Mary Mercy Livonia and St. Joe’s Medical Group
- Project Manager, Greater Detroit Healthy Village Initiative
- Past Director of St. Mary’s Clinically Integrated Network
- Past experience in healthcare consulting and administrative law representing providers under Benefit Integrity, ADR, RAC, Medicare TPL and ZPIC audits
- Lean Six Sigma Black Belt, BMGI
- JD, The University of Detroit Mercy School of Law
- BA, Eli Broad School of Business, Michigan State University
Samaritan Center 1.0
1922 – 2001

Mercy Hospital – Detroit (Samaritan Health Center)
Running the Mercy Hospital – Detroit

- Annual financial loses of approx. $10M from opening in 1984 until mid-1990s
- 5 years of growth and modest profitability during middle part of 1990s culminating in being named “Turn Around Hospital of the Year” by Modern Healthcare
- Balanced Budget Act and shift in Medicaid market to nearly fully managed care in MI decimated hospital’s comeback
- Between 1984 and 1999, Mercy Hospital – Detroit lost over $150M in total and $1.5M/month in 1999
- Medicaid reform today
  - Value based reimbursement models may make transformation models more compelling in future

What Circumstances Led To The Decision To Transform The Property?

<table>
<thead>
<tr>
<th>City of Detroit</th>
<th>48213 (2000)</th>
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<tbody>
<tr>
<td>Year</td>
<td>1966/1967</td>
</tr>
<tr>
<td>Land - sq. miles</td>
<td>139</td>
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<tr>
<td>Total Population</td>
<td>1,670,144</td>
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<tr>
<td>Catholic Population</td>
<td>78,891</td>
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<tr>
<td>Catholic Sponsored Hospitals &amp; Clinics</td>
<td>4 Hospitals &amp; 1 Clinic</td>
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- Est. household income $29,526
- Population of 42,966
  - Caucasian (2.10%)
  - African American (96.14%)
  - Hispanic (0.58%)
  - Asian (0.09%)
  - Native American (0.23%)
  - Other (0.23%)
What Circumstances Led To The Decision To Transform The Property?

- Operational Issues
  - Outside consultants reviewed operations
  - Attempted donation to DMC with $10M commitment to support
- Decision to transform the property
  - Dynamis Advisors hired
  - Commitment to operate free clinic in perpetuity
What process was deployed to develop the transformation plan?

RFP was then issued to find organization willing to execute business plan.
Did The Community Feel That They Were Part Of The Process?

- Perception of Trinity Health
- Community Input
- Criticism
- Trust

Multiuse Community Center

- Transferred to a not-for-profit (2 largest tenants)
- Trinity Health leased back space (primary care clinic)
- Capital costs offset by philanthropy, tenant contributions, new debt and government grants
- Trinity Health’s Commitment
  - Mercy Primary Care Center established as anchor tenant
  - $2M Annual Subsidy
A Better Way To Respond To Community Needs

• 70 Tenants (Partners)
  - Healthcare (120-bed nursing home, 55-bed behavioral health, mental health, UDM faculty practice)
  - Education and job training
  - Social services
  - Convenience retail
• Combination of services further incentivized federal, local, and private assistance
• Tenant/partners pay rent to offset operating, management and marketing expenses (shopping mall concept)

The Samaritan Center
The Samaritan Center

Samaritan Center 3.0
2017 – Future
A Healthy Village

• Definition:
  - The purposeful design, financing, development and management of real estate comprised of partners who through their collaborative efforts work to achieve better health outcomes, reduce costs and positively impact the social determinants of health. (Dynamis Advisors, 2015)

• Current Initiatives:
  - Fixing the “Front Door” at the Samaritan Center
  - Developing a new Healthy Village at Joy Rd and Southfield Freeway
  - Incorporating the Cabrini Clinic into Detroit Health Ministry efforts

Primary Care 3.0 – The Front Door

• Merging Detroit Mercy’s McAuley Health Center & Mercy Primary Care Center
• Merged entity becomes the medical home for estimated 50,000 Samaritan Center clients
• Changing the business model so the Samaritan Center becomes a true system of care
Campus Improvements

Replication
Cody Rouge Healthy Village
Community Need in Cody Rouge (48228)

- 8th Poorest zip code in Michigan (64% Below 200% FPL)
- Most populous in city (53,145)
- 37% Single Parent
- 26% Vacant Housing
- 19.4% Uninsured
- PCP Ratio of 11,902:1

Herman Gardens Project

- Built in 1943 with over 2,000 units of public housing on 129 acres
- Decline 1960s through 1980s
- HOPE VI funded demolition in late 1990s and early 2000s
Gardenview Estates

- Opened in 2007
- 541 Rental Units
- 66 Homeownership Units
- 7.41 acres of commercial space in NW corner

Program Replication

- Replicating the “System of Care” model at the Samaritan Center on a smaller scale
- Creating campus-like setting with partners in the following categories:
  - Primary care, behavioral health, dentistry, education, fitness, job training, affordable housing, convenience retail
- Integrating academic partnership:
  - The University of Detroit Mercy
- Aligning with community partners:
  - Alignment for Health Equity and Development (AHEAD), Greater Detroit Area Health Council (GDAHC), Skillman Foundation (with GM, DTE, Quicken Loans)
Cody Rouge Healthy Village Concept Drawing