

Congress of the United States
Washington, DC 20515

August 21, 2020

Mr. John T. Fox
President and Chief Executive Officer
Beaumont Health
3601 W. Thirteen Mile Road
Royal Oak, MI 48073

Dear Mr. Fox:

We are writing with concern about reports surrounding the potential merger of Beaumont Health and Advocate Aurora Health. Various stakeholders, including physicians employed by Beaumont, as well as independent media reports, indicate that there are substantial outstanding questions about the merger's impact on patient care and Beaumont's ability to effectively serve southeast Michigan residents.

On Wednesday, June 17, Beaumont Health announced that it had signed a nonbinding letter of intent to merge with Advocate Aurora Health, a 28-hospital system based in Illinois and Wisconsin. Following this announcement, there have been significant concerns about the potential new entity's effect on patient care for Michigan residents, given Beaumont's longstanding reputation for quality care relative to Advocate Aurora. Additionally, there is a substantial body of evidence linking hospital mergers and consolidation to higher prices, and it is critical that any restructuring of Beaumont Health result in tangible improvements for patients, physicians, and the communities they serve.

Given these concerns, please provide answers to the following questions at the earliest practicable date:

- Beaumont Health has cited several figures regarding the benefits of the merger, including a \$1.1 billion capital investment in a July 21 open letter, as well as a \$100 million investment in technology among the three systems. What amount of capital investment is the new entity contractually obligated to make as part of the merger?
- Concerns have also been raised about the merger's compliance with Public Act 273 of 1988, which states that:

"Any contractual arrangements between the hospital authority (People's) and the nonprofit corporation (Beaumont) shall at all times require that the nonprofit corporation shall not sell all of the transferred assets without the express consent

of the hospital authority and the approval by a majority of the voters in an election."

How does Beaumont intend to fulfill its legal commitments to ensure that the Taylor, Trenton and Wayne hospitals are not controlled by an out-of-state entity?

- Beaumont physicians have raised a number of concerns about the direction of Beaumont Health following several high-profile departures of physicians and physician groups. These include the adverse impact of current staffing levels on patient care, lack of input on management decisions, and larger concerns about financial considerations taking precedence over patient care, which has the potential to undermine Beaumont's reputation as a hospital of choice. How are these being addressed?
- Have Beaumont medical staff been consulted on their views on the proposed merger with Advocate Aurora? What input have they had, and how does Beaumont leadership intend to address their concerns?

Southeast Michigan residents deserve access to the quality care, and it is important that these outstanding concerns on the impact of Beaumont's proposed merger be addressed. Thank you in advance for your prompt response.

Sincerely,



Debbie Dingell
Member of Congress



Rashida Tlaib
Member of Congress