

## Health Care “Coopetition”

*St. Joe’s and the U-M team up in Chelsea.*

“Health care’s local,” says Nancy Graebner, president and CEO of St. Joseph Mercy Chelsea Hospital (SJMC). “Nobody likes to get in the car and drive down I-94 if they don’t have to.”

Soon, fewer residents of western Washtenaw County will have to make the drive to the big hospitals in Ann Arbor: SJMC is expanding its behavioral health unit and negotiating a joint venture that would expand the medical services the University of Michigan offers in Chelsea.

The joint venture, whose details are being finalized this summer, would bring more physicians and patients to the Chelsea campus from Michigan Medicine (the new name for the U-M Health System) as well as new jobs. “Everybody wants to see this community hospital grow and get stronger and offer more service lines to our community,” says Graebner.

The U-M has operated a family medicine practice and inpatient service in Chelsea for decades. Under the agreement, it will add more services and access more hospital beds. MM president David Spahlinger says SJMC’s occupancy rates are relatively low, while MM’s are so high they sometimes can’t accept patients from referring hospitals.

With the joint venture, “we utilize the beds more efficiently in Washtenaw County, and we grow some programs they don’t have,” Spahlinger says. “For us, it helps us with some of the transfers that we feel [are] important for us to continue to meet requests from around the state.”

Michigan Medicine physicians will also do more surgeries in Chelsea. SJMC had long planned to add a seventh operating room this summer. With the new agreement, Graebner says, they may expand to a total of ten.



MARK BIALEK

**A decade after losing the competition to buy Chelsea Community Hospital, the University of Michigan is buying 49 percent of St. Joseph Mercy Chelsea. The new joint venture will expand services in the west county.**

The relationship between the Saint Joseph Mercy Health System (SJMHS) and Michigan Medicine has sometimes been called “coopetition.” In 2007, for instance, both hospital systems wanted to buy what was then Chelsea Community Hospital. Though St. Joe’s won out, the U-M continued to provide services there. In 2012, the U-M and St. Joe’s parent, Trinity Health, signed a formal affiliation agreement which led to the development of the Acute Care for Elders unit at St. Joseph Mercy Ann Arbor.

“For a number of reasons, we remain competitors, but we do also, where it makes sense, try and cooperate,” Spahlinger says. “We’re not seeking to be a monopoly, and this will not do that, but we need to cooperate where we can to provide better care to the community.”

Spahlinger notes that some of his own “patients go to Saint Joe’s. We can either try and ignore that, or we can try and work on it, so that it’s more seamless,” he says. Instead of being “fragmented,” he says, “we need to figure out how to work together in order to provide more, better care.”

Rob Casalou, regional president and CEO of SJMHS, says that while there’s

a “natural competition” between the systems, “Saint Joe’s and Michigan Medicine have always enjoyed a collaborative relationship with a shared goal of improving the health of patients in the local community as well as across the state.”

Graebner says control of the new business entity would remain with SJMC, which is expected to own 51 percent to MM’s 49 percent. She anticipates cost savings from utilizing nursing staff more fully.

While the Michigan Medicine agreement is being finalized, SJMC is moving ahead with the renovation of its behavioral health unit. The work, scheduled to wrap up in August, will include dedicated rooms for exercise and for music therapy, a courtroom for patients with commitment hearings, a new family waiting area, new visitor restrooms, an expanded nursing station, enhancements to the enclosed courtyard, and a new entrance, according to administrative director Nancy Siegrist. Its total size will jump from 9,000 to 15,000 square feet.

Though licensed for thirty beds, the unit has been staffed for only twenty-four. The renovation will allow SJMC to fully

staff all beds and care for more patients. Rooms are also getting updated bathrooms and new beds that offer additional safety for patients with other medical problems.

The renovation is part of a master campus redevelopment plan, which has already led to the new inpatient medical-surgical Atrium Building and Cancer Center. The atrium renovation left only the psychiatric patients in the original 1970s building—“which is lovely and we like it, but it’s dated,” Siegrist says. “We’re bringing it up to 2017 standards.” Future phases may include a suite of offices and improvements to patient lounges.

This phase is expected to cost just under \$2 million, according to Siegrist. Funds will come from \$712,000 raised May 13 during its annual auction—exceeding the hospital’s \$500,000 goal—plus money from SJMC parent Trinity Health.

“We couldn’t have done this without the community,” Siegrist says. “The philanthropy piece has been huge, and what a statement [of support] for our patients.

“We’re not a stepchild. We’re not hidden ... The respect and the dignity that [our] patients receive makes me proud every day.”

—Jenny Blair

## A New School in Dexter?

*A bond vote to fund a host of improvements*

On August 8, the Dexter Community Schools will ask voters to approve a \$71.7 million bond proposal. The money would pay for a new elementary school, a new and more secure entrance for Wylie Elementary, walkways between schools, a new music room at Mill Creek Middle School, new buses, improvements in the Dexter Community Pool locker rooms and the Senior Center, improvements to the athletic fields, and district-wide upgrades for mechanical, security, and electrical systems. This would be the

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