

LEGACY DMC ANNOUNCES INTENT TO NEGOTIATE PATH TO CONTINUED
CHARITY CARE FOR INDIGENT PATIENTS IN DETROIT

Process Aims to Extend Safety Net Commitment Beyond Original 10-Year Agreement

DETROIT (October 14, 2020) – Legacy DMC (Legacy) announces its intent to negotiate with ownership and management of the Detroit Medical Center (DMC) on extending and defining a commitment to provide charity care for DMC patients after a current obligation expires at the end of this year.

Legacy was created in January 2011 when the non-profit DMC hospitals were sold to Vanguard Health System, Inc., a private for-profit company, to monitor the buyer's compliance with certain of the 20 Covenants contained in the Purchase and Sale Agreement (Agreement). Each year, the buyer (now Tenet HealthCare Corporation, which purchased the DMC from Vanguard in August 2013) reports on its discharge of these responsibilities to Legacy. Legacy reviews this report and publishes its evaluation and conclusions to the Michigan Department of the Attorney General. Legacy's annual compliance reporting responsibility will conclude in December 2020.

The Agreement requires the DMC to discuss continuing a commitment to charity care beyond 2020 if requested to do so by Legacy.

"It is essential that DMC continue their commitment to maintain a patient friendly approach to indigent and low-income care across the metro area and we look forward to seeing the new and innovative ways they seek to improve upon that care as a result of these negotiations," said Michigan Attorney General Dana Nessel.

Discussions on this critical issue will be led by Stephen D'Arcy, former chair of the nonprofit Detroit Medical Center Board and a longtime community and business leader, who will ask for input from state, city and county governments and community health providers. Other interested parties will be able to provide input to those involved with the process via email (LegacyDMChotline@gmail.com) over the next 30 days.

"The safety net for charity care long provided by DMC's hospitals has proven essential for our residents" said Richard Widgren, chairman of the Legacy Board. "We appreciate that the Attorney General shares our view that this should be a priority for the DMC beyond Legacy's term of oversight and look forward to Steve D'Arcy's leadership and knowledge, as he steps forward to work with Tenet and the DMC on this effort."
