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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: January 28, 2021

RE: **Indigent health care in Detroit, particularly at Detroit Medical Center
“safety net” institutions**

This report is in response to Council Member Spivey’s request that Legislative Policy Division (LPD) report and provide a draft resolution of City Council supporting adequate and accessible health care services in the City of Detroit, regardless of patients’ income or economic condition, i.e., indigent care. It is LPD’s understanding that pursuant to existing contractual commitments, continuing stewardship of the Detroit Medical Center by Vanguard Health Systems, Tenet Health Care’s operation of the system or perhaps others, under negotiations of evolving deals that may affect standards for community care, may be issues addressed and perhaps significantly changed in the coming year, ten years after the closing date on Vanguard’s purchase of the system. Council may wish to request a discussion with the City’s Health Department, DMC CEO Audrey Gregory’s team, and other potential sources of more detailed and up-to-date information. The requested draft resolution is attached.

The role of the Detroit Medical Center (DMC) hospitals, especially Receiving and Hutzel and their associated clinics, in providing indigent care in Detroit has historically been viewed as a key part of the safety net for health care in the City. In the late 1970s the former Detroit General Hospital had been owned by the City, and the new medical center hospitals and clinics continue to operate under the statutory legal requirement to provide care regardless of “economic status”. MCLA 331.624 - Section 3(c) (clinics); Section 4(b) (hospitals). In recent decades Tenet and Vanguard’s restructuring of DMC operations, including the high cost and weighty public interest of indigent care, led to complex, multi-sided financial negotiations involving the state, the city and the medical center.

Of particular concern today is the Legacy DMC oversight board's ninth annual report regarding DMC owner Vanguard Health Systems' tenure over DMC hospitals and clinics. (This was the report - 66 pages including attachments - that triggered this referral by Member Spivey. It is available upon request from LPD.) Noting "the critical importance of the Detroit Medical Center hospital system to the health care safety net for both the City of Detroit and its surrounding areas," the oversight board was established when Vanguard bought the DMC. They identified ongoing concerns about adequate funding for indigent care and related issues. In the wake of the Covid pandemic's heavy disparate racial and poverty impacts, the validity of the report's expressed concerns regarding public health implications of indigent health care funding, standards and support can hardly be questioned. The repeated recurrence of this indigent care issue in several eras of health care over past decades speaks to the continuing importance of the funding issue. All agree on the need for indigent care; how to pay for it in an era of public health crisis will be the big challenge!

Without discussing the sensitive and ongoing issue of the relationship between the DMC and Wayne State University with its medical school, but simply noting it as a factor mentioned in the Legacy DMC report, LPD believes that the WSU connection is one of many factors that ideally should be considered in the process of developing comprehensive policy measures for increased and upgraded indigent health care. These could include: the public health emergency of the Covid 19 pandemic; the future reforms of indigent health care funding that may modify the Affordable Care Act (Obamacare) under the new presidential administration in Washington, DC; and new directions that the Detroit Health Department may seek to pursue under Mayor Duggan that could require DMC support, as well as many other potential factors

As noted above, the draft resolution requested by Member Spivey is attached. If there any further questions or concerns, LPD will be happy to conduct additional research and report to Council.

**RESOLUTION SUPPORTING CONTINUED ROBUST COMMITMENTS TO
INDIGENT HEALTH CARE IN THE CITY OF DETROIT BY HOSPITALS AND
CLINICS OF THE DETROIT MEDICAL CENTER**

Whereas, The availability of, access to, and quality of health care services for indigent persons in the City of Detroit at low or no cost to the patients (“indigent care”) has historically been supported by the City of Detroit Health Department, the state and federal governments, and others, particularly including the hospitals and clinics of the Detroit Medical Center (DMC), Hutzel and Receiving Hospitals and the University Health Clinics housed in the DMC, as designated social safety net institutions for southeastern Michigan; and

Whereas, DMC hospitals and clinics are legally required to provide indigent care pursuant to Act 217 of 1979, MCL 331.624; and

Whereas, Management and operation of the DMC, potentially including indigent care issues, is expected to be subject of negotiations in 2021, the tenth year since Vanguard Health purchased the system; and

Whereas, Particularly in the aftermath of extreme health disparities experienced during the ongoing Covid pandemic, the need for sustained, robust, adequate and well-targeted and -administered health funding toward the indigent population in Detroit simply cannot be denied; and **NOW THEREFORE**

LET IT BE RESOLVED THAT Detroit City Council urges the Duggan Administration, the Detroit Health Department, the DMC, federal and state government health officials, nonprofit health agencies and residents of the City of Detroit to participate in a public discussion of these issues during a formal council session to be scheduled as soon as reasonably possible; and

LET IT BE FURTHER RESOLVED THAT Detroit City Council urges the Duggan Administration, the Detroit Health Department, the DMC, federal and state government health officials, nonprofit health agencies and residents of the City of Detroit to collaborate and support indigent health care at the DMC institutions, as robustly funded and delivered as possible; and

LET IT BE FINALLY RESOLVED THAT Copies of this resolution shall be delivered to Mayor Duggan, Governor Whitmer, the Detroit delegation to the Michigan State legislature, Detroit’s federal congressional representatives and senators, and the CEO of the DMC Audrey Gregory.