

Detroit City Council Information Request Responses

TO: Hon. City Council Member Latisha Johnson, City Council District 4
FROM: The Future of Health Engagement Team
CC: Hassan Beydoun, JETS
Brandon Lockhart, JETS
Brittney Hoszkiw, JETS
Antoine Bryant, Director, PDD
Edwina King, PDD
Kenyetta Bridges, DEGC
David Howell, DEGC
VIA: Malik Washington, Mayor's Office
DATE: As of February 19, 2024
RE: The Future of Health Project

Council Member Latisha Johnson (Feb 2024)

The Future of Health development team has consolidated the following responses to Council Member Latisha Johnson's memorandum dated February 13th, 2024.

I am seeking clarity on the following items regarding the Future of Health Community Benefits Agreement:

1. Please provide clarity around the offset associated with items #4 and #5. Is it accurate that Henry Ford Health System is complying with Executive Order 2021-02 voluntarily and that The Pistons must comply and if either entity incurs fines, the donations to the home repair fund and the rental assistance fund can be used to offset the fines?

The residential portion of the project led by the Pistons will fully comply with Executive Order 2021-2 ("EO") and contributions made by the Pistons under the EO will not be credited or offset by any community benefits. The credit/offset language referenced in the CBA is exclusive to Henry Ford Health's voluntary compliance with the EO, whereby Henry Ford Health could credit certain public benefits provided under the CBA against any monetary contributions it voluntarily incurs under the EO if the Workforce Target cannot be met.

In sum, yes, it's accurate that Henry Ford Health is voluntarily complying with the EO and that the Pistons must comply with the EO. However, it is not accurate that donations to the home repair fund and rental assistance fund can be used to offset the Pistons' contributions under the EO. Rather, such offsets could only be used against EO contributions made by Henry Ford Health.

2. Please define uncompensated care. Does it include uncollected debt?

Henry Ford Health aggregates at the system level uncompensated care. Uncompensated care losses include 4 major categories. Charity Care (free care), losses incurred from insufficient reimbursements

received from Medicaid/Medicare, and Bad Debt (uncollected co-pays, co-insurance, deductible, self-pay, etc.).

3. In the CBA, you propose an increase in the uncompensated care services that you currently provide. What is the current cost of uncompensated care?

In 2023, about 70,000 patient contacts occurred at the Main Campus E.R. This resulted in about \$295,000,000 in uncompensated care being provided to the community by Henry Ford Health.

The 2+ times larger new E.R. in the expansion hospital will create an additional 18,000-20,000 patient contacts on an annual basis, resulting in an additional \$62,000,000 in uncompensated care per year (~\$310,000,000 over 5 years).

4. Uncompensated care has been valued at \$310M in the CBA. Will the money be set aside for a specific program targeted towards uninsured Detroit residents?

A significant majority of the uncompensated care provided to the community by Henry Ford Health is delivered at the Main Campus in Detroit as patients present for medical treatment care through our Emergency Department. The losses are set aside in advance as they occur after care delivery but are known and accounted for in advance projections.

By law, we cannot determine who cannot receive care at the E.R. Department in the city or any location within Henry Ford's geographic footprint. Having said that, Henry Ford Main is a Level 1 Trauma center and therefore cares for the highest acuity levels of care provided in Michigan. In addition to being a 109-year trusted partner for care in Detroit, proximity, patient history, and quality of care results in a very high percentage of our E.R. patients being Detroiters.

Further, thousands of Detroiters also use Henry Ford's care facilities and E.R.'s rooms at additional City and other metro Detroit locations. As Henry Ford continues to build new facilities and find partners in S.E. Michigan, E.R. capacity will continue to grow and provide opportunities for additional care to all residents.

5. In addition to the \$1.3M being provided for the redevelopment plan of Fairbanks School will there be a plan for implementation that has dollars tied to it?

The Developers will secure a site plan and feasibility study identifying the potential redevelopment plans for the Fairbanks School and engage the Henry Ford Health Community Advisory Council as well as hold a public community meeting to directly inform the redevelopment plans. The final spend will be dependent upon redevelopment plans.

Henry Ford Health has been approached by multiple interested parties to propose a redevelopment project. Henry Ford Health has consistently responded that upon completion of the approval process with the NAC and Detroit City Council they will begin consideration of proposals that are consistent

with the 5 pillars of Future of Health: Housing, Finest Healthcare, Careers, Educations, and Community Building.

I am requesting the addition of the following benefits to the community benefits agreement to ensure this development project supports challenges facing the Detroit community and long-term housing security:

1. Research Center – Research chronic illnesses/ailments that effect Black people at a high rate, including lupus, fibroids, sickle cell anemia, prostate cancer, high blood pressure and preeclampsia, and diabetes.

The Henry Ford Health + MSU Research Center will allow both institutions to expand research in cancer, health disparities, and social drivers of health. As part of this 30-year partnership, this building will be occupied by MSU and Henry Ford Health researchers and will house the recently announced Nick Gilbert Neurofibromatosis Research Institute, funded by the Gilbert Family Foundation.

Research will address health challenges disproportionately affecting Detroit's communities, including infant and maternal mortality, cancer, stroke, and heart disease. With a particular emphasis on women's health, the partnership between MSU and Henry Ford Health has established the MSU Department of Obstetrics and Gynecology as the leading department in the nation. The department's mission is to address the health equity gap for cancer and maternal and fetal health.

With a holistic commitment to the City's systemic health and wellbeing, MSU will engage community members and Detroit's schools to improve educational and career opportunities. The partnerships aim is to address health disparities and create healthy environments for current and future residents of the New Center neighborhood and beyond.

2. Make an annual contribution of \$1 million, for a minimum of 5 years to a newly formed Community Land Trust to provide permanent affordable rental and homeownership opportunities based on the average Detroit resident's affordability. Transfer Fairbanks school and 10 vacant residential units owned by HFHS to the land trust at no cost.

The Developers have made extensive commitments to affordable housing, home repair, and rental assistance as a part of the Community Benefits Agreement ("CBA") that was approved by the Neighborhood Advisory Council ("NAC") by a 6-2 vote. This includes setting aside 133 of the 662 residential units (20% of total units) at the deepest affordability levels of any Community Benefits residential project to-date in the City of Detroit, including 10% of the affordable units at the very deep level of 30% AMI, 80% of the units at 50% AMI, and 10% of the units at 70% AMI. If one assumes the area median income of Detroit residents is about 50% of the AMI determined by HUD and referenced in the city's inclusionary housing ordinance, 90% of the affordable units in this project would be considered affordable to Detroiters based on income levels determined by reference to only Detroiters' incomes, resulting in a substantial increase in affordable units in the Impact Area.

Additionally, the Developers have committed to provide \$2,000,000 to a home repair fund, to be administered by an experienced non-profit in the neighborhoods surrounding the developments, including New Center, New Center Commons, Virginia Park, Virginia Park Community, Tech Town, Elijah McCoy, Piety Hill, LaSalle Gardens, and NW Goldberg.

Lastly, the Developers have committed to provide \$500,000 to a rental assistance fund for qualifying renters in the Impact Area as determined by the Planning & Development Department as a part of the Community Benefits process.

The Developers will secure a site plan and feasibility study identifying the potential redevelopment plans for the Fairbanks School and engage the Henry Ford Health Community Advisory Council as well as hold a public community meeting to directly inform the redevelopment plans. As a part of the Community Benefits package, the Developers committed to work to produce a viable redevelopment plan for the Fairbanks School within 12 months of TBP approval that is consistent with the 5 pillars identified in the CBO process: Housing, Finest Healthcare, Careers, Educations, and Community Building.

3. Provide \$5 million for a downpayment assistance program within 90 days of beginning construction. Program eligibility will be limited to Detroit residents with 7+ years of residency in the City of Detroit to purchase a property within the Detroit city limits. Income eligibility shall be between 30% AMI and 60% AMI. The program will be managed by one or more of the following 501(c)(3) nonprofit organizations in the impact area – 360 Detroit, Black Leaders Detroit, Midnight Golf, Central Detroit Christian, Northwest Goldberg Cares, Black United Fund, Sobriety House, or Detroit Parent Network.

Since the announcement of the Future of Health project and the partnership among Henry Ford Health, Michigan State University, and the Pistons, the Future of Health engagement team has consistently focused on meaningfully engaging with City of Detroit residents and neighbors, with a particular emphasis on outreach to homeowners, schools, and businesses near the project site. Notable groups that have been engaged with so far include 360 Detroit, West Grand Boulevard Collaborative, North End Alliance, Historic Boston Edison, LaSalle Gardens, Wayne County Community College District, NW Goldberg Cares and 15th Street Block Club.

As outlined in the response to question 2, the Developers have already made significant commitments to affordable housing, including provide deeply affordable units at 30% AMI, and other supportive services to homeowners and low-income renters in the surrounding neighborhoods of the Future of Health project. The Developers anticipate continued collaboration with local partners in the administering of those funds.

4. Support a Community Investment Fund with a \$1 million investment per year for the first three years of the development project. The fund shall be managed by a 501c3 organization currently operating within the impact area. The fund shall support programs that focus on the social determinants of health and improving quality of life for residents within the impact area.

As a part of the Community Benefits agreement, the Developers have committed to providing \$300,000 in microgrants to support organizations within the Impact Area. A panel of community members will be able to nominate organizations for consideration and the funds shall be granted by the Developers in consultation with a local community group, potential Central Detroit Christian.

Additionally, the Developers will provide a dedicated community health worker to provide engagement with Impact Area senior citizens to educate, coordinate community resources, and to assist senior citizens in navigating the healthcare system. The Developers will also provide medical resources to Northwestern High School and will dedicate research and direct care resources to address infant/mother mortality issues, which it will report on to CRIO on a semi-annual basis.

Additionally, in reviewing the FOH CBA, I am requesting that the following language be amended for greater specificity.

1. Identify how Detroiters will be prioritized for the affordable units.

In addition to partnering with local area community groups in the marketing of affordable units, the Developers will participate in marketing units on the City of Detroit housing portal to advertise units directly to Detroit residents.

2. Address the offset language to be clear that it's for HFHS and what items may offset the non-compliance fine of the voluntary Executive Order 2021-2.

The credit/offset language referenced in the CBA is exclusive to Henry Ford Health's voluntary compliance with the EO, whereby Henry Ford Health (and not the Pistons) could credit certain public benefits provided under the CBA against any monetary contributions it voluntarily incurs under the EO if the Workforce Target cannot be met. To accommodate your request, the Developers agree to additional clarification language to reflect that intent.

3. Provide the signed MOU with READ.

The MOU is anticipated be executed today (Monday, February 19th) and provided to all Council Members in advance of City Council's Formal Session on Tuesday, February 20th.