

Serving the City of Detroit – The Henry Ford Health System

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The Henry Ford Health System (HFHS) is one of the largest comprehensive, integrated health systems in the United States. Since its foundation in 1915, the system has been regionally rooted in the City of Detroit and the Detroit metropolitan area. Detroit itself faces huge challenges. The decrease of the manufacturing sector caused a large decrease in population and employment. The HFHS serves the city not only as a high-quality healthcare provider, but plays other roles as well. As one of the largest employers, the HFHS has been a stable economic and social factor for many years. Reduced investments in the cityscape and in community health are affecting long-term support in Detroit's future. The social and economic importance of HFHS for the Detroit metropolitan area creates a relationship between the HFHS and the City of Detroit that ensures mutual dependency and cooperation.

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1 Introduction

The Henry Ford Health System (HFHS) is one of the nation's oldest and largest comprehensive, integrated health systems in the U.S. With the mission "to improve human life through excellence in the science and art of health care and healing", HFHS is providing a wide range of health care services in the Detroit metropolitan area (Henry Ford Health System, 2016). The non-profit organization is one of the key contributors to economic and social life in Detroit. While looking at Detroit's structural challenges, this paper is intended to analyze the medical, social, and economic significance and contribution of HFHS to the Detroit metropolitan area. Thus, particular attention is paid to the regional focus and educational programs of the HFHS. Based on the discussion and analysis of key aspects, the paper draws a conclusion about the role of the HFHS supporting the structural change of the City of Detroit.

2 The Henry Ford Health System

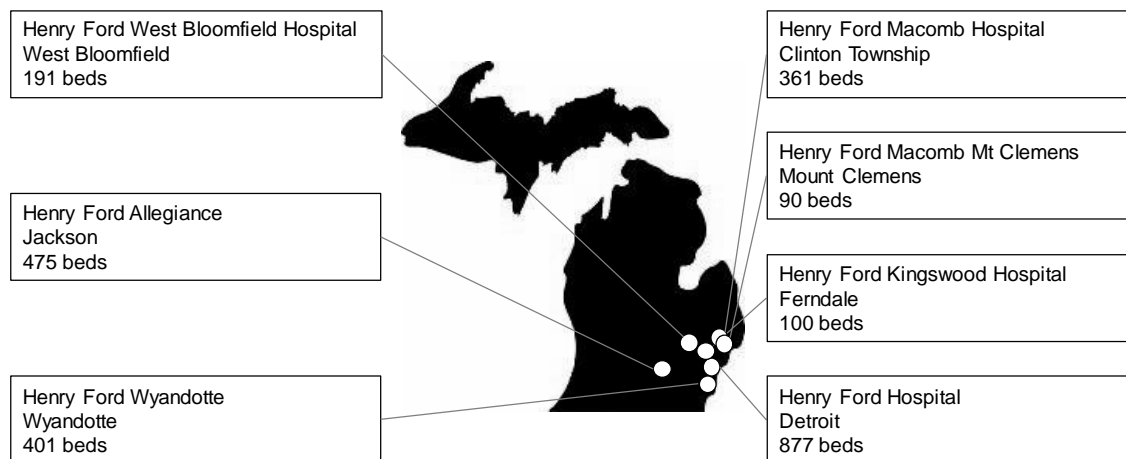
The Henry Ford Health System is a non-profit corporation committed to improving health and well-being of the Michigan community. Headquartered in Detroit, it provides healthcare and medical services, especially in south-western Detroit. Founded in 1915 by auto-pioneer Henry Ford, it has become one of the nation's leading and largest comprehensive, integrated health systems. The Henry Ford Health System also provides health insurance as well as a research and education program for its medical staff. The system is made up of seven Henry Ford hospitals, the Henry Ford Medical Group with 37 Medical Centers, Community Care Services, the HFHS health insurance service, and the Henry Ford Accountable Care Organization (HFACO) (Henry Ford Health System, 2016).

Through its mission, the HFHS strives to achieve the goal of "transforming lives and communities through health and wellness – one person at a time" (Henry Ford Health System, 2016). The HFHS, therefore, pursues continuously improving "patient-centered, integrated, equitable, high quality, safe, and efficient health care". Health at HFHS is based on innovative clinical excellence, medical education, and research. With the goal of optimizing health and well-being for all patients while maintaining equal quality of care, the system uses its experience and leverages the synergy effects of the organization. HFHS is pursuing a holistic approach in health care, while focusing their efforts on the individual person. Therefore, the HFHS aims to achieve the optimal result and treatment for single patients, customers, and employees (Hawkins et al., 2013, pp. 16-17).

The Henry Ford hospital system is comprised of four acute medical-surgical and two behavioral hospitals. The Henry Ford Hospital in Detroit is considered the HFHS flag-

ship. The 877-bed tertiary care hospital and level 1 trauma center includes its own education and research complex. It is recognized for clinical excellence and innovation in the fields of cardiology and cardiovascular surgery, neurology and neurosurgery, orthopedics and sports medicine, organ transplants, and treatment for cancer care (Henry Ford Health System, 2015a).

Figure 1: The Henry Ford Health System Hospitals



Source: Author's own representation based on Henry Ford Health System, 2016

The HFHS health insurance service, the Health Alliance Plan (HAP), has 675,000 enrolled members. The HAP is a non-profit health plan that provides Group Insured Commercial, Individual, Medicare, Medicaid, self-funded and Network Leasing product lines (Henry Ford Health System, 2016). In 2016, Health Plus of Michigan joined the HAP, making it one of the largest health insurers in the State of Michigan. Because of the merger, synergies in product and service areas, as well as provider networks resulted in increasing revenues, and the system as a whole was supported in its strive to achieve its vision (Health Alliance Plan of Michigan, 2017, and Henry Ford Health System, 2016).

In 2016, the HFHS established the Henry Ford Accountable Care Organization. With the combination of the expertise of more than 1,000 physicians, its hospitals, clinics and medical centers, the HFHS pursues this path in order to achieve healthier outcomes, while reducing patients' burden and the costs of care (Henry Ford Health System, n.d.a). Besides its health and insurance services, the HFHS includes a research and education program. This program provides innovative physician training programs, which helps HFHS to initiate and collaborate in the field of medical research. The academic medical center of HFHS includes 200 medical specialists and 80 research scientists working on more than 2,000 research projects. The program continuously provides medical education and training opportunities for more than 80,000 physicians, nurses, and allied health professionals to date.

The Henry Ford Medical Group was founded in 1915 and stands out as one of the nation's largest medical groups. It includes more than 1,200 physicians specialized in over 40 practice methods throughout the 37 Henry Ford medical centers in the Detroit suburbs of Wayne, Oakland, and Macomb Counties.

In order to support innovation across the HFHS and in the metropolitan area of Detroit, HFHS founded the Henry Ford Innovation Institute in 2011. The establishment of the institute was supported by many founding partners with expertise in the fields of medicine, science, technology, product design, and education, such as the Wayne State University College and the College for Creative Studies in Detroit. The Innovation Institute develops medical products, devices, and therapies in multidisciplinary collaborations in order to improve patient outcomes and cost effectiveness. In so doing, the Henry Ford Innovation Institute holds multiple license agreements, and received more than one million dollars in license revenue alone in 2015 (Hawkins et al., 2013, p. 17, and Henry Ford Health System, 2015b, p. 19).

A valuable asset of the HFHS is its diversity. HFHS has employees with many cultural backgrounds, is proud of its diversity and strives to ensure diversity in all of its health system areas. Using the diversity in its employees from over 60 countries, HFHS develops and studies ways to affect the health of its patients and the population in the Detroit metropolitan area. HFHS has been awarded several times for this commitment to diversity (Henry Ford Health System, 2016).

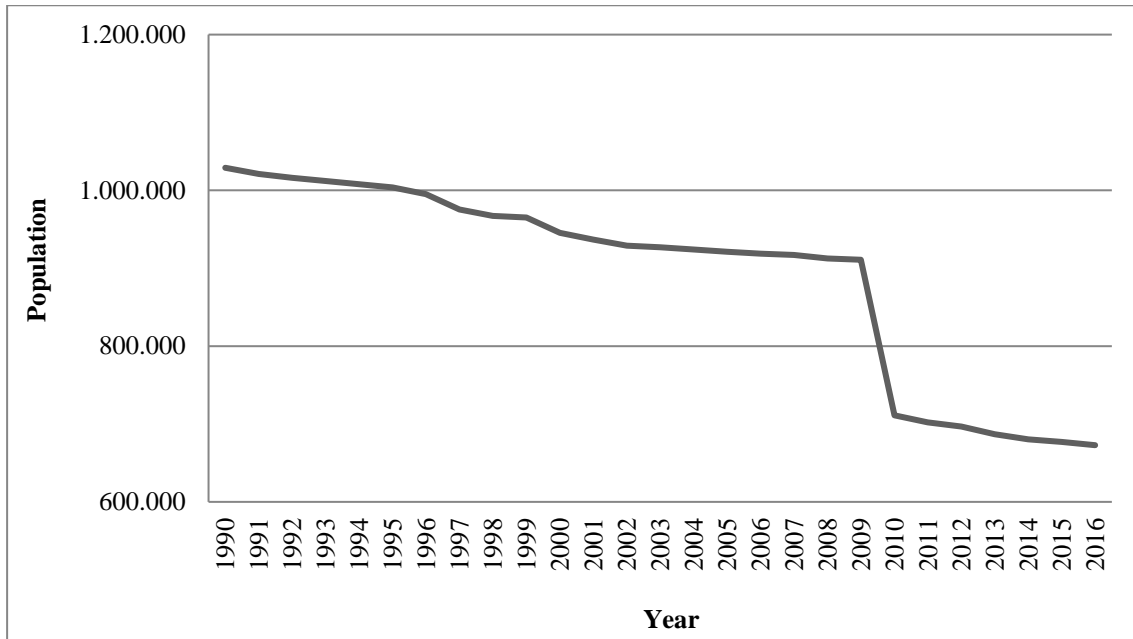
3 The City of Detroit

Detroit is a city in the Mid-Western U.S. with a population of around 680,000, and is the most populous city in the state of Michigan. Detroit has been historically shaped by and heavily dependent on the automobile industry since the industrial revolution. It is, therefore, known as a predominantly working-class city (Bentley et al., 2016, p. 785). Like other formerly industrial shrinking cities, Detroit continues to face a perpetual decline in population (Adhya, 2017, p. 3). From the 1970's to the present, its population has been reduced by more than half (Bentley et al., 2016, p. 789).

While there is a noticeable decline in American manufacturing jobs due to aspects of globalization and increasing automation since the 1970s, Detroit is also facing several structural challenges. Because of the loss of employment opportunities, the working class shrank, and the city's overall population decreased. Furthermore, the real estate market declined, the tax base was undermined and city services suffered (Bentley et al., 2016, p. 785-786). Detroit's problems with a decreasing population have further been accentuated by the global economic crisis beginning in 2008. The collapse of the real estate and financial market had violent effects on Detroit's economy (Adhya, 2017, p. 4). The bankruptcy, especially, of two of Detroit's three big automotive companies in 2009, General Motors and Chrysler, had huge effects on the local labor market situation.

As a result, the population experienced another heavy reduction. The related continuous loss of population and taxes reached its climax with the bankruptcy of the City of Detroit in 2013.

Figure 2: Population of Detroit between 1990 - 2016



Source: Author's own representation based on United States Census Bureau, n.d.a

Today, poverty, unemployment, and housing vacancies are a globally recognized characteristic of the City of Detroit. The median household income in Detroit is less than half of the average income across the United States. A very high poverty rate of more than 40 percent illustrates the unfavorable social situation in Detroit. Furthermore, a below average level of education (measured at a high school graduation or higher) and a low rate of people with health insurance are characteristics of the socioeconomic situation of the Detroit metropolitan area (Figure 16.3). To illustrate the low population density, an example is provided. The total area of Detroit is larger than the accumulative area of Manhattan, Washington D.C., and San Francisco. However, the population of these three regions is about 470 percent higher than in Detroit (author's own calculation based on United States Census Bureau QuickFacts). The poor economic and social situation has serious implications for investments in the future of Detroit and is deteriorating the quality of life for its communities.

Figure 3: Comparative socioeconomic parameters

	USA	Detroit
Median Household income	\$ 53,889	\$ 25,764
Educational Attainment	86.7 %	78.3 %
Poverty Rate	13.5 %	40.3 %
Persons without health insurance	13.0 %	16.7 %

Source: Author’s own representation based on United States Census Bureau, n.d.b, and United States Census Bureau n.d.c

4 Medical Importance of HFHS

Serving a market area of 4.5 million people in Southeast Michigan (Hawkins et al., 2013, p. 6), the HFHS records about 130,000 visits to the emergency departments, 3.77 million outpatient visits, and about 100,000 hospital admissions annually. The HFHS performed 75.000 surgical procedures and recognized 22,500 new patients in 2015 (Henry Ford Health System, 2016). Given these figures, HFHS is one of the most important hospitals in the region.

Overall, the seven Henry Ford hospitals, providing close to 2,500 beds in the Detroit metropolitan area, enjoy an excellent reputation. In the prestigious U.S. ranking of the regional hospitals in Detroit and the surrounding area of 25 miles, the HFHS was twice ranked, along with the Henry Ford Hospital Detroit and the Henry Ford Macomb Hospital, at ninth. With sole regard to the City of Detroit, the two clinics are even in second place (Figure 16.4).

Figure 4: Best regional hospitals in Detroit up to 25 miles surrounding

#	Hospital	City
1	University of Michigan Hospitals and Health Centers	Ann Arbor
2	Beaumont Hospital-Royal Oak	Royal Oak
3	Harper University Hospital	Detroit
4	Beaumont Hospital-Troy	Troy
5	Genesys Regional Medical Center	Grand Blanc
6	St. Joseph Mercy Ann Arbor Hospital	Ypsilanti
7	Beaumont Hospital-Dearborn	Dearborn
8	Providence Hospital	Southfield
9	Beaumont Hospital-Grosse Pointe	Grosse Pointe
9	Henry Ford Hospital	Detroit
9	Henry Ford Macomb Hospital	Clinton Township
9	St. John Hospital and Medical Center	Detroit

Source: Author’s own representation based on U.S. News, n.d.

The eight Centers of Excellence of the HFHS have received acclaim and have gained an excellent international reputation for their clinical medical services. Along with the Innovative Institute, the HFHS Centers of Excellence are the Heart and Vascular Institute, the Josephine Cancer Institute, the Neuroscience Institute, Orthopedic Surgery, Transplant Institute, Vattikuti Urology Institute, and the Behavioral Health. Three of these institutions stand out as the most remarkable. The Josephine Cancer Center, one of the largest cancer centers in Michigan, has a global catchment area and provides cancer therapy for all clinical pictures. The Vattikuti Urology Institute performed the first robotic surgery, which has become medical standard. Finally, the Behavioral Health treatment has received multiple awards and provides inter-alia services in inpatient and outpatient medical services.

5 Social Commitment and Community Health

As one of the largest companies in Detroit, HFHS is also committed to social responsibility and efforts to improve community health in Detroit. The goals of HFHS are promoting the health of the Michigan population, as well as the health of its employees.

In order to achieve these goals, HFHS has several Community and Health, Equity and Wellness (CHEW) programs. To support healthier nutrition, HFHS provides smartphone apps to educate children and hospital visitors about the basics of nutrition and food services. Furthermore, it performs Community Care Services through conducting home health care visits or nursing homecare, and offers school-based community health programs (Henry Ford Health System, 2016).

To promote urban development, HFHS established the “Live Midtown” which supports urbanization by paying a bonus to its employees for moving into downtown Detroit. Each employee gets a \$20,000 incentive for buying a house in midtown for the first time or a \$2,500 one-off payment for the first rented residence (Henry Ford Health System, 2016). Furthermore, HFHS invests in various ways in the cityscape of Detroit. One example of that capital-intensive project is seen on West Grand Boulevard. The HFHS spent more than \$500 million for restructuring of the environment surrounding the Henry Ford Hospital. Along with creating facilities for the medical services of the HFHS, including a new Cardinal Health Distribution Center, the HFHS created a school, green spaces, and foot and bike paths to encourage people to be healthier (Henry Ford Health System, 2016, and Kash, 2015, p. 383).

6 Economic Importance of HFHS

Considering the economic influence of the Henry Ford Health System for the city of Detroit, its position as an employer is of particular importance. With a total of more than 29,000 employees, HFHS is the fifth-largest employer in the Detroit metropolitan area, and has a great significance for the Detroit labor-market. The organization provides

9,200 jobs and 11,500 jobs related to the HFHS in Detroit alone (Henry Ford Health System, n.d.b). In the ranking of the Detroit Economic Growth Corporation, HFHS is considered the third-largest employer in Detroit and the second largest in the healthcare sector (Figure 16.5). Considering the high impact of the automotive industry in Detroit, these figures are remarkable in describing the economic importance of the HFHS and the healthcare sector for Detroit. Due to the poor labor market situation and the high poverty rate, the HFHS is one of the economic pillars of the city.

Figure 5: Largest Employer in Detroit

#	Organization	Detroit Employees
1	Detroit Medical Center	12,398
2	City of Detroit	10,92
3	Henry Ford Health System	9,014
4	Detroit Public Schools	7,839
5	U.S. Government	6,454
6	Quicken Loans/Rock Financial Inc.	5,984
7	Wayne State University	5,924
8	Blue Cross Blue Shield of Michigan	5,172
9	State of Michigan	4,555
10	Chrysler Group LLC	4,042
11	General Motors Corp.	3,947
12	St. John Providence Health Systems	3,863

Source: Author’s own representation based on Detroit Economic Growth Corporation, n.d.

With its revenue of \$5 billion and a net income of \$72 million in 2015, the HFHS provided a total economic impact of \$6.018 billion on the Detroit metropolitan area (Henry Ford Health System, 2016). Regional suppliers, subcontractors, partners and other affiliated companies are gaining economic benefits from the operations of the HFHS.

The regional connection of the HFHS also results in a strong belief in the future of Detroit. Thus, the HFHS is constantly investing in the region and its own system. With the establishment of the Henry Ford West Bloomfield Hospital during the global financial crisis in 2009, the HFSH set a strong signal for its future in Detroit. By investing about \$350 million in the Henry Ford Hospital Campus in Detroit, the opening of new ambulatory centers and the expansion of existing ambulatory clinics, the HFHS supported Detroit not only as stabilizing factor in the labor market, but it also helped improved the forecast of surviving the financial crisis (Kash, 2015, p. 382).

The HFHS also has prospective plans to further expand its system and facilities. The “Henry Ford - Detroit Pistons Performance Center”, a combined complex planned in cooperation with the NBA’s Detroit Pistons and Wayne State University, is one of the new facilities to be established. It will provide space for training facilities for the sports

team and corporate headquarters for the NBA franchise. It will include a comprehensive sports medicine and treatment and rehabilitation facility managed by the Henry Ford Health System as well (Henry Ford Health System, 2017). Besides the structural investments, those joint ventures between Detroit's institutions and HFHS will support a stable future for the city. As part of the agreement, the Henry Ford Health system will be the official healthcare provider for the NBA sports team.

For a long-term stabilization of its position as a significant employer in Detroit, the HFHS relies on its education and training program. The Henry Ford Health System is categorized as academic medical center because of its teaching, research, and advanced patient care supply. The HFHS trains about 1,800 medical students, residents, and fellows on an annual basis. Medical education is provided for 80,000 physicians, nurses, and allied health professionals (Henry Ford Health System, 2016). The Henry Ford Health System University (HFHSU), established in 2004, provides education programs across the system. The range of education includes classroom events, as well as online-courses. Special focus at the HFHSU is also given to leadership trainings (Hawkins et al., 2013, pp. 14-15).

7 Discussion

The significance of HFHS, with its wide range of medical services, is undisputed. HFHS' position as a non-profit organization ensures that economic interests and corporate-centered goals of healthcare remain in the background. Employee, as well as community, health and well-being are instead pushed to the forefront. The Henry Ford Accountable Care organization and the Health Alliance Plan established as part of the Henry Ford Health System are setting additional strong incentives to supporting long-term health and optimal medical outcomes for the patients. The integration of financing and delivery are not only achieving benefits for the patient care. Employment contracts for physicians ensuring fixed salaries consolidate the patient focus and eliminate possible interests in optimizing personal revenues during medical care. Furthermore, the ACO-model creates even lower costs for the HFHS (Kash, 2015, p. 382).

Along with its economic influence on the Detroit metropolitan area, HFHS tries to revitalize the city in various other ways. Incentives created by an attractive education and continuing-training program help to strengthen HFHC's position as an important employer. Furthermore, HFHC is eager to help make to downtown Detroit more attractive for its employees, and thus renew Detroit as a city. In addition, HFHS established many partnerships with various institutions in Detroit to improve health outcomes. Moreover, these newly-created networks are good chances to stabilize Detroit's economy in the long run. Continuous expansions of the HFHS in the metropolitan Detroit area will generate other new jobs for the region and help counteract the high unemployment-rate in Detroit. With the creation of new job opportunities, increasing the city's population by

bringing in new employees or by encouraging current employees to move into midtown, HFHS is making a major contribution in tackling Detroit's problems.

Expanding its system and investing high amounts into Detroit's social development, does however, increase HFHS's dependence on the city. A failure of the urban development in Detroit would directly relate to significant difficulties for the HFHS. Conversely, the dependence of Detroit on the HFHS increases with a growing engagement and support from HFHS to Detroit's structure. With a continuing decrease of the manufacturing sector, Detroit's dependence on the service sector, and thus the HFHC, could increase further.

Serving the city of Detroit, the HFHC is not just focused on providing medical services. The HFHS has made strong efforts to create long-term community health and well-being as well as to achieve a restructuring of Detroit.

8 Conclusion

Considering the economic, medical, and social importance of the HFHS, it is obvious that HFHS has an enormous impact on the development of the Detroit metropolitan area. As a major employer and a highly respected health system, HFHS has a significant impact on the stabilization of the economically battered city of Detroit. Besides contributing to getting through the financial crisis, the HFHS supports the belief in a positive development of the city with its investments in Detroit's cityscape and a long-term commitment to its roots. Since its foundation, the HFHS has been directly linked to Detroit and its good intention to stabilize and shape the region is clearly recognizable. The HFHS significantly consolidates the city and the metropolitan area with its social engagement and economic impact, as well as its position as provider of medical services, and is partly responsible for the ability of a positive development in Detroit. On the other hand, high investments on the part of the HFHS into the shrinking city of Detroit involve economical risks. The city of Detroit and HFHS have entered into a mutual dependency, and both are relying on a positive economic and population development in the city in order to ensure a successful future.

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