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Originally Published: September 03, 2014 10:41 AM **Modified: September 08, 2014 1:09 PM**

Beaumont Health closes deal to merge 3 nonprofit systems

New organization names 14 to board

By Jay Greene

Three months after announcing a definitive agreement to merge operations into a single health system — **Beaumont Health** — officials for the new eight-hospital nonprofit system said today that they closed the deal.

Officials recently received federal antitrust and tax-exempt status approval to move forward with the new organization. Michigan Attorney General Bill Schuette last week said he had no objections to the $3.8 billion merger.

Beaumont Health System in Royal Oak

The deal closed Tuesday, according to a statement.

Crain's detailed the days and decisions leading up to the finalization of the merger in this report Sunday.

John Lewis

"This is a great day for the people of Southeastern Michigan," said John Lewis, chairman of Beaumont Health, in the statement. "Beaumont Health will continue the traditions of our legacy organizations as a nonprofit, locally governed organization. With our combined strengths of patient satisfaction, medical excellence and community focus, we look forward to serving the health needs of patients and families for years to come, with quality and compassion guiding all that we do."

Beaumont Health officials released little information on the new organization other than to name the new 14-member board. It is representative of the three organizations: **Beaumont Health System**, **Oakwood Healthcare Inc.** and **Botsford Health Care.**

Beaumont officials listed several decisions to be made this year. They include appointing a new Beaumont Health executive team, determining a corporate headquarters (temporary location in Troy), developing a corporate structure and integrating hospital names within the new system.

Board members are:

- Christopher Blake of Grosse Pointe Farms, president and owner of **The Blake Company, Mutschler Kitchens** and **Blake Properties LLC**

- Gerson Cooper of Bloomfield Hills, Botsford Health Care Trustees Board chair, Beaumont Health board vice chair, and retired president and CEO of Botsford Health Care

- Julie Fream of Birmingham, Beaumont Health Board secretary, president and CEO, **Original Equipment Suppliers Association**

- Malcolm Henoch, M.D., of Northville, Oakwood Healthcare senior vice president and chief medical officer

- Stephen Howard of Franklin, Beaumont Health System Board chair, Beaumont Health board vice chair, and founder, president and CEO of **Spearhead Group**

- John Lewis of Grosse Pointe Farms, Oakwood Healthcare Board chair, Beaumont Health board chair, and managing director, **Donnelly Penman & Partners**

- Harris Mainster, D.O., of Bloomfield Hills, Botsford general surgeon

- Gene Michalski, of Oakland, president and CEO, Beaumont Health and Beaumont Health System

- John Nemes, C.P.A., of Novi, Beaumont Health Board treasurer, president of **Sallan, Nemes, Lyman & Strakovits PC**

- Timothy O'Brien of Northville, co-founder and policy principal, **Sustainable Water Works Inc.**, and principal, **TOB Consulting**

- Martha Quay of Birmingham, owner, **Veranda Inc.**

- Thomas Saeli of Birmingham, CEO, **JRB Enterprises/Duro-Last Roofing**

- S. Evan Weiner of Franklin, executive vice president and CEO, **Edward C. Levy Co.**

- David Wood, M.D., of Royal Oak, Beaumont Health System executive vice president and chief medical officer

Beaumont Health consists of eight hospitals with 3,337 beds, 153 outpatient sites, 5,000 physicians, more than 33,000 employees and about 3,500 volunteers, it said in a release. In 2013, the combined organizations had 168,047 inpatient admissions, 15,997 births and 492,677 emergency visits, it said.