

The University of Michigan  
**Regents Communication**  
Action Request

Subject: Internal Merger of Metro Health Corporation into UM Health

Action

Requested: Approval to Consummate the Internal Merger of Metro Health Corporation into UM Health and Related Actions

Background:

The Regents of the University of Michigan, a Michigan constitutional corporation, doing business as Michigan Medicine (“UM”), is the sole corporate member of UM Health, a Michigan nonprofit corporation and non-operating holding company with respect to some of UM’s community health care businesses and assets (“UM Health”). In an affiliation transaction that closed in 2016, UM Health became the sole corporate member of Metropolitan Health Corporation, a Michigan nonprofit corporation doing business as Metro Health (“MHC”), which was and remains the sole corporate member of Metropolitan Hospital, a Michigan nonprofit corporation doing business as Metro Health Hospital that operates an acute-care hospital in Wyoming, Michigan (“Metro Health Hospital”). MHC historically functioned as the non-operating parent company of Metro Health Hospital and its related businesses. Today, UM provides healthcare services in western Michigan through Metro Health Hospital and other UM affiliates.

Since the closing of the affiliation transaction with MHC and Metro Health Hospital, UM management determined that merging or dissolving certain entities throughout Michigan Medicine, including the merger of MHC with and into UM Health (the “MHC Merger”), would support more efficient and agile decision making across the Michigan Medicine system in support of Michigan Medicine’s mission, vision, and organizing principles.

The Boards of Directors of UM Health, MHC, and Metro Health Hospital subsequently determined that is in the best interest of each corporation and the communities served by each corporation and other UM affiliates in western Michigan to consummate the MHC Merger and take such other actions that are necessary or advisable in connection with the MHC Merger, including amending the governing documents of UM Health and Metro Health Hospital.

Under the current governing documents of UM Health, MHC, and Metro Health Hospital, the Board of Regents must also approve certain actions related to the MHC Merger. To that end, we request that the Board of Regents take the following actions:

1. Approve the MHC Merger and authorize Marschall S. Runge, M.D. and such other agents as he may designate (each, a “UM Representative”) to: (a) execute and deliver the Certificate and

Plan of Merger for the MHC Merger in substantially the forms presented to the Board of UM Health; and (b) prepare, execute, file, and deliver all required notices, certificates, documents, and instruments, and to take such other actions as any of them deem necessary or advisable, to effectuate the MHC Merger.

2. Approve the Amended and Restated Articles of Incorporation of UM Health and the Amended and Restated Bylaws of UM Health in substantially the form presented to the Board of UM Health, to be effective as of the closing of the MHC Merger.
3. Approve the Amended and Restated Articles of Incorporation of Metro Health Hospital and Amended and Restated Bylaws of Metro Health Hospital in substantially the form presented to the Board of UM Health, to be effective as of the closing of the MHC Merger.
4. Authorize the UM Representatives to do all such acts and things and to execute, acknowledge, and deliver all such documents and instruments, and to pay all such fees, taxes, and expenses as may in his or her discretion be deemed necessary or advisable in order to carry out these actions.

Respectfully submitted,



Marschall S. Runge  
Executive Vice President for Medical Affairs  
and Dean of the Medical School



Kevin V. Megarty  
Executive Vice President  
and Chief Financial Officer

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