BUSINESS

New Beaumont, Spectrum hospital system becomes Corewell Health

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The new health system formed with February's merger of Beaumont Health and Spectrum Health will be called Corewell Health, health system leaders announced Tuesday.

The eight-hospital Beaumont Health system, based in Southeast Michigan, was Michigan's largest health system before merging with West Michigan's 14-hospital Spectrum Health system in February. The combined system has a combined 22 hospitals, 305 outpatient locations and 64,000 employees. Priority Health, Spectrum's Michigan-based health insurance plan with 1.2 million customers, also is part of the new health system.

Signage for the newly named hospitals will include bright green and blue colors, reflecting the colors associated with the former Beaumont and Spectrum systems.

"At our core, we are here to help people be well so they can live their healthiest life possible," said Tina Freese Decker, president and CEO of Corewell Health. "We recognize the amazing outcomes and history from Beaumont Health and Spectrum Health.

"Now together, known as Corewell Health, we move forward unified, focused on health and wellness for all."

Health system officials said the Corewell Health name is meant to reflect a future where health is "simple, affordable, equitable and exceptional."

"The Corewell Health logo reflects the increasingly synergistic relationship between health care and health coverage, and our ongoing commitment to continuously improve the health of the communities we serve," said Julie Fream, chair of the Corewell Health System board of directors.

Erik Gordon, a professor at University of Michigan's Ross Business School, noted that a name change can be somewhat of a gamble for an entity, especially one created from the merger of two well known institutions like Beaumont and Spectrum.

"When an organization tosses out its brand name, it tosses out a valuable asset," Gordon said. "Most people on the east side of the state recognize Beaumont, people on the west side recognize Spectrum, and none of them even have heard of Corewell.

"You spend money on new signs, revised web pages and hope you can make your new name as valuable as your old name."

But Alex Calderone, managing director of the Calderone Advisory Group in Birmingham who worked Pontiac General Hospital through its bankruptcy reorganization a few years ago, said the name change is unlikely to significantly help or hinder the new health system.

"Is branding important? Yes," Calderone said. "But what's really important is serving patients, ensuring that the system is offering a high degree of efficacy to the community, ensuring that the physicians of the merged system are happy and comfortable in their positions.

"At the end of the day, the name change will have very little impact, if any, on the demand for patient care, the operations of the organization, or its ability to attract talent or customers."

Beaumont Health officials announced in June 2021 that they'd entered into talks with Spectrum Health in a bid to extend Beaumont's influence across Michigan.The tie-up followed a period of controversy over previous unsuccessful merger attempts.

Beaumont had been looking to expand for at least a decade, but separate talks to merge with Detroit-based Henry Ford Health System, Ohio-based Summa Health, and Advocate Aurora Health, based in Milwaukee and Downers Grove, Illinois, failed to materialize.

Beaumont did have one success. In 2015, Beaumont Health became Michigan's largest hospital system when it absorbed Botsford Health Care in Farmington Hills and Oakwood Healthcare in Dearborn.

The merger happened after Beaumont's proposed tie-up with the then-larger Henry Ford system was aborted in 2013. It would have created a single $6.4 billion nonprofit health system, but both health systems concluded the risks of melding vastly different cultures and business models outweighed the benefits.

In December 2019, the Southfield-based health system wanted to partner with Akron, Ohio-based Summa Health. The partnership agreement was approved by state and federal regulatory agencies, but Beaumont and Summa ended the plan in late May 2020 during the COVID-19 pandemic.

The COVID outbreak resulted in a "hemorrhaging" of cash, Beaumont officials said, because of canceled elective surgeries due to state restrictions, other revenue losses and increased costs for personal protection equipment.

The next proposed deal with Advocate Aurora Health fell apart under opposition from a broad coalition of physicians, nurses, hospital staff, community members and state lawmakers, as well as a proposed investigation by Michigan Attorney General Dana Nessel.

The deal would have created a 28-hospital health system across Wisconsin, Illinois and Michigan. But critics argued the merger would result in a loss of local control over the health system.

The new Corewell Health system operates with dual headquarters in Grand Rapids and Southfield, with the executive leadership team spending time on both sides of the state.

John Fox, the former Beaumont president and CEO, who was a lightning rod for controversy in the Southfield-based system, resigned after the merger. Corewell Health President & CEO Tina Freese Decker formerly served as president & CEO for Spectrum Health.

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Corewell Health Beaumont hospitals:

Corewell Health Beaumont Grosse Pointe Hospital (formerly Beaumont Hospital Grosse Pointe)

Corewell Health Beaumont Troy Hospital (formerly Beaumont Hospital Troy)

Corewell Health Dearborn Hospital (formerly Beamont Hospital Dearborn)

Corewell Health Farmington Hills Hospital (formerly Beaumont Hospital Farmington Hills)

Corewell Health Taylor Hospital (formerly Beaumont Hospital Taylor)

Corewell Health Trenton Hospital (formerly Beaumont Hospital Trenton)

Corewell Health Wayne Hospital (formerly Beaumont Hospital Wayne)

Corewell Health William Beaumont University Hospital (formerly Beamont Hospital Royal Oak)

Corewell Health Spectrum hospitals:

Corewell Health Big Rapids Hospital (formerly Spectrum Health Big Rapids Hospital)

Corewell Health Blodgett Hospital (formerly Spectrum Health Blodgett Hospital)

Corewell Health Butterworth Hospital (formerly Spectrum Health Butterworth Hospital)

Corewell Health Gerber Hospital (formerly Spectrum Health Gerber Memorial Hospital)

Corewell Health Greenville Hospital (formerly Spectrum Health United Hospital)

Corewell Health Helen DeVos Children's Hospital (formerly Spectrum Health Helen DeVos Children's Hospital)

Corewell Health Kelsey Hospital (formerly Spectrum Health Kelsey Hospital)

Corewell Health Lakeland Hospital (formerly Spectrum Health Lakeland Medical Center)

Corewell Health Ludington Hospital (formerly Spectrum Health Ludington Hospital)

Corewell Health Niles Hospital (formerly Spectrum Health Lakeland Niles Hospital)

Corewell Health Pennock Hospital (formerly Spectrum Health Pennock)

Corewell Health Reed City Hospital (formerly Spectrum Health Reed City Hospital)

Corewell Health Watervliet Hospital (formerly Spectrum Health Lakeland Watervliet Hospital)

Corewell Health Zeeland Hospital (formerly Spectrum Health Zeeland Community Hospital)