

The University of Michigan Health System (UMHS) is a national leader in healthcare, medical education and biomedical innovation, thanks in large part to your generosity.

Our mission is tripartite: we provide highly individualized and compassionate care for patients, educate and train the next generation of physicians, and advance medical science. Yet, our vision is singular. We remain passionate in our mission to serve patients, regardless of their ability to pay. Each year, we provide approximately \$200 million in charity care and other uncompensated care to the men, women and children of Michigan.

Like all academic medical centers, UMHS faces daunting financial challenges to our continued growth as innovators in the clinic, the lab and the classroom.

A rapid and radical transformation of healthcare has altered medicine as we have known it in the United States. The denominator of care has shifted to a “value-based,” model, in which value is measured by patient outcome per dollar spent—a mandate of the Affordable Care Act (ACA). Therefore, every expenditure we make as healthcare providers is now scrutinized by private- and public-sector insurers, who are increasingly conservative in their reimbursement policies. Currently, Medicare pays just 90 percent of the actual cost of care for hospitalized elderly patients, our largest population of inpatients.

UMHS has met fiscal challenges head on. In the face of sweeping change, we do not merely respond, we lead. UMHS is nationally recognized as an innovator in healthcare reform. We spend each dollar wisely and find creative solutions to increase our efficiency, affordability, and accessibility while also raising the bar of patient care and biomedical investigation.

In the arena of research, academic medical centers as a whole have seen unprecedented cuts in funding from the National Institutes of Health (NIH) in recent years. In an increasingly competitive marketplace for grants, UMHS won more than 1,021 separate NIH awards in 2013, totaling over \$400,000,000.

To move forward in a time of scarce funding, we have also sought key partnerships with industry. As a result of our outreach and excellence, UMHC is repeatedly chosen as a principal site for prestigious multi-center trials that position us to innovate. Our research is inextricably intertwined with patient care—and it saves lives. In January, for example, we were the first hospital in the world to implant a new device that treats thoracic aortic aneurysms.

Excellence begets opportunity. Your past commitment to UHMC has been instrumental in assuring and supporting our continued advancement. You and like donors have helped us reach important milestones and achieve essential outcomes.

With careful planning, we have created a clear roadmap for the future—but to meet, and even surpass, our strategic goals, we require the robust support of our donors. Please give as generously as you can.

Dedicated to advancing the frontiers of patient care, inquiry and education, we ask you to stand with us in our endeavors.

Sincerely,

Ora H. Pescovitz, M.D.  
Executive Vice President for Medical Affairs, U-M  
CEO, U-M Health System