

October 28, 2020

Sean Welsh
Chair, Spectrum Health Finance Committee

The Finance Advisory Committee (FAC) is established under the Consent Decree to provide counsel to the Finance Committee of Spectrum Health during the budgeting process.

Matthew Cox, Spectrum Chief Financial Officer and members of his team recently provided the FAC with an overview of the Spectrum Health budget for the year ending December 31, 2021, which included review of key revenue and expense assumptions along with discussion of business risks and opportunities impacting both the insurance coverage and healthcare delivery system. Our discussions were candid, and management was very responsive to our requests for information.

Based on Mr. Cox's detailed presentation and his responses to questions raised by the FAC, we conclude that the 2021 budget supports the objective of providing the community with excellent healthcare outcomes in a cost-effective manner, while building a sustainable organization for the future.

In addition, Mr. Cox provided an update on ongoing benchmarking activities and an overview of initiatives in support of the Spectrum Health Strategic Plan (2020-2030), which includes the vision statement, "Personalized health made simple, affordable and exceptional." The FAC fully supports continued benchmarking efforts to improve Spectrum's value proposition to its customers and making affordability a key element of its vision statement. We also would like to recognize management's efforts during these very challenging times to support the health of our community.

As in prior years, we specifically solicited comments from the payer community for consideration in the budgeting process. We will also attend the virtual Community Meeting on November 2, 2020 where Spectrum Health's management will present its budget to the community at large. If any other concerns regarding Spectrum Health's financial plans come to our attention as a result, I will communicate them to you following the Community Meeting.

Sincerely,

A handwritten signature in black ink that reads "Martin R. Jennings". The signature is written in a cursive, flowing style.

Martin R. Jennings
Chair, Finance Advisory Committee

Finance Advisory Committee Members: Martin Jennings, Win Irwin, Mari Beth Jelks, Holly Johnson, Mark Mossing, Stuart Vander Heide, Jerry Vander Wal.