

# Henry Ford Health and Ascension hospitals announce \$10.5 billion joint venture in Michigan

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Detroit-based Henry Ford Health has announced a plan for a “joint venture” with Ascension Michigan, a division of St. Louis, Missouri-based Ascension Health. The deal would bring eight Ascension hospitals in southeast Michigan under the leadership of Henry Ford. The new \$10.5 billion organization would operate 550 sites across the state and employ more than 50,000 people.

The Ascension hospitals involved in the deal are the Warren and Madison Heights campuses of Ascension Macomb-Oakland, the Novi and Southfield campuses of Ascension Providence, Ascension Genesys Hospital in Grand Blanc, Ascension Providence Rochester, Ascension River District and Ascension Saint John. If the plan goes through, these hospitals will be branded as Henry Ford Health and run by Henry Ford’s CEO, Bob Riney.

So far, the two systems have remained tight-lipped regarding the details of the deal, leaving many questions unanswered. According to the *Detroit Free Press*, both systems have refused to let their reporters interview anyone involved in the negotiations.

Among the questions raised by the new venture is how it will impact Ascension and Henry Ford’s policies on reproductive care for women. Ascension is a Catholic institution that refuses to perform abortions and, in 2018, even ceased performing birth control procedures such as vasectomies and tubal ligations. Also in question is access to care for LGBTQ+ individuals, such as transgender people seeking gender-affirming care.

According to Henry Ford, discussions on the “Catholic identity” of the affected hospitals are “ongoing.” However, their statement included the assurance that they and Ascension “are committed to working to maintain the Catholic identity of the Ascension Michigan facilities included in the partnership.” It is not known if Henry Ford plans to change its policy regarding these vital services, since they conflict with Ascension’s “Catholic identity.”

Despite the secrecy and the many unanswered questions, the real reason behind the consolidation and its implications are already clear.

Both health systems adamantly deny that this is a merger or acquisition, calling it instead a “joint venture” and a “partnership.” The reality is that Henry Ford Health is pursuing a campaign to expand its basis for making profits. Last year, the system reported a net loss of \$234 million, with an operating margin of a mere \$138,000, according to *Crain’s Business Detroit*.

In February, Henry Ford announced a joint \$2.5 billion project with the Detroit Pistons basketball team and Michigan State University. This includes a \$1.8 billion renovation of Henry Ford Hospital to create a new, connected facility across the street.

Ascension itself is just as desperate for the new deal to go through. Last year, they lost a staggering \$2.66 billion despite revenues of \$28 billion. Ascension handing over eight of its hospitals along with their assets to Henry Ford will help ease the financial burden.

Ascension and Henry Ford are also hoping to achieve a massive increase in market share. Healthcare market expert Allan Baumgarten told the *Detroit News* the new organization would account for 44 percent of the Detroit area healthcare market by revenue. For this reason, there are some doubts as to whether the joint venture will go through. Henry Ford and Ascension have submitted the proposed deal to federal and state regulatory bodies, which occasionally deny mergers that are too flagrantly monopolistic.

Workers at Henry Ford and Ascension, and their patients, should not believe the lie that this “joint venture” will by itself resolve the massive financial losses these systems are experiencing. They can only become profitable through a massive assault on workers and patients. Only by slashing wages, laying off workers and raising prices can Henry Ford and Ascension make the new system profitable.

Recent studies have shown that mergers in the healthcare industry, which are becoming more and more common, do not lower healthcare costs or improve quality of care. Instead, prices have been found to increase by as much as 20 to 50 percent. The struggles of healthcare workers across the country for decent wages show that rampant consolidation has not contributed to higher wages for nurses and support staff.

The major trade unions at the Ascension hospitals (Henry Ford workers are not unionized) have not made any public statement on the impact this transaction will have on workers. Dan Glass, president of Teamsters Local 332, which represents registered nurses and technologists at Ascension Genesys, notified the membership when the deal was announced. The notice provides only the vague promise that the Teamsters will “negotiate this transition.” Tellingly, the notice also stated that the company promised “there will be no immediate changes to employees at this time.” In other words, the union leaves open the possibility for cuts in the future.

Workers should not put their faith in the union

bureaucracies to fight against the layoffs and pay cuts to come, and patients should not rely on the supposed goodwill of regulatory bodies. Workers at Henry Ford Health and Ascension Michigan must take the struggle against the health systems into their own hands to fight against what will be a vicious campaign of cost-cutting as Henry Ford uses this deal to regain profitability. Only a united, independent struggle of rank-and-file workers at both systems can defend their interests.



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