



Vibrant communities. Excellent care. Thoughtful, personalized approaches.

When it comes to senior living, the best providers are those that go above and beyond to make a difference. The ones that never stop pursuing excellence and consistently seek out new, better ways to serve older adults and their families.

Today, two such providers—United Methodist Retirement Communities (UMRC) and Porter Hills (PH)—announce their plans to consider coming together under shared board governance and leadership. While this is only the first step in a lengthy process, it reflects both organizations’ commitment to sharing their knowledge, skills and resources for the betterment of senior services across Michigan.

Our Shared Goals

Both PH and UMRC seek to:

- Ensure superior services that bolster the well-being and independence of Michigan older adults,
- Offer state-of-the-art environments that provide the very best health outcomes, utilizing the latest tools and technologies,
- Provide opportunities for dynamic senior engagement, activities and learning,
- Enhance opportunities to meet the unique financial challenges facing today’s older adults, and
- Retain their respective designations as top places for people to work.

The rapid pace of change in the senior living and health care sectors makes it more important than ever for like-minded organizations like UMRC and PH to consider uniting behind a common, broad-based strategy for growth. Both organizations are focused on making decisions that allow them to achieve the best possible outcomes for the people they serve.



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What Affiliation Would Look Like

Together, UMRC, PH, and their respective affiliates employ 1,300 staff serving over 4,600 Michigan older adults. With a combined 24 service lines and locations and 170 years of service, the revenues of these two nonprofit organizations and their affiliates total approximately \$150 million.

According to the 2017 Ziegler LeadingAge 150 (a listing of the top 150 senior living organizations in the U.S.), PH and UMRC together would be among the 75 largest nonprofit senior living and service providers nationally and among the top five in Michigan. In addition, the new organization's commitment to affordable housing would place it among the country's top 25 nonprofit affordable housing organizations.

Both PH and UMRC maintain strong quality ratings, with multiple five-star facilities among them. It is currently anticipated the two organizations' ability to share their widely-recognized best practices, knowledge and financial resources will achieve superior results for older adults and create an even more exciting dynamic in Michigan's senior living marketplace.

The philanthropic Foundations of both Porter Hills and UMRC will continue to uphold their commitments and enhance the lives of those we serve. Together, we will leverage the strengths of each to elevate the care of older adults.

Why Now?

In 2017, Porter Hills began a process of positioning its future with a focus on core services, strengthening operations and honoring its commitment to residents and staff. At the same time, with a similar focus, UMRC was seeking opportunities to continue its thoughtful growth, expand services to other areas of the state and build on its strong operations and financial performance. When Porter Hills made the decision to seek an affiliation, UMRC submitted a letter of interest. Through a robust process, PH vetted more than 20 organizations nationally and chose UMRC as its possible future partner.

Lasting organizational affiliation will be beneficial in enhancing the mission of both PH and UMRC, preserving their strong faith-based backgrounds, and offering additional opportunities to residents, participants, members and staff of both organizations.





The timing also makes sense from a leadership perspective. Both organizations are led by strong, compassionate, and cohesive volunteer boards who are capable of managing the due diligence and affiliation processes thoughtfully. Both also benefit from talented leadership teams with compelling track records of managing organizational change.

Should an affiliation plan move forward, PH's interim CEO, Karen Lehman, expects to return to her role as CEO of Mennonite Health Services. John Thorhauer, UMRC's president and CEO, previously shared with the UMRC Board his plans to retire in October 2019. Should UMRC and PH complete this affiliation, John will continue on to manage the transition and lead both organizations as their respective boards work together to select a new leader. UMRC's board has a solid succession plan, and PH board members will join in this process.

What Happens Next?

It is anticipated that the due diligence process will take at least the remainder of 2018, at which time both boards will make a final decision regarding a permanent affiliation. In the interim, UMRC and PH leadership teams will work closely to ensure the highest quality care and maximum benefit to the older adults we serve and the staff that serve them.

As we continue on this journey, we will provide periodic updates to residents, participants, and staff of both organizations.

About UMRC - Building on a foundation of 112 years of service, United Methodist Retirement Communities serves older adults of all faiths at nine locations throughout Southeast Michigan. UMRC services include independent living, assisted living, memory care, rehabilitation and skilled nursing. UMRC affiliates include three Programs of All-Inclusive Care for the Elderly (PACE), affordable assisted living and affordable housing.

About Porter Hills - For nearly 50 years, Porter Hills has provided communities and services for older adults of all faiths in nine different communities throughout West Michigan, as well as through its in-home service agencies and partnerships. PH services include independent living, assisted living, memory care, rehabilitation, skilled nursing, and home care. Some of PH affiliates include two Programs of All-Inclusive Care for the Elderly (PACE), hospice, care management and affordable housing.



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Additional Details for Porter Hills Residents & Staff

- **Porter Hills has been a major competitor in the West Michigan senior housing market for generations. Noted for our vibrant communities and high-quality services, we are working to strategically position our future.**
 - Disciplined growth is essential, and our board is committed to achieving not just superior service quality, but compassionate care and economies of scale. For the past two years we have been on a journey of advancement through affiliation. After an exploratory process characterized by integrity and clear criteria, we narrowed our prospects down to one—UMRC.
- **UMRC has shown itself to be a remarkable leader in innovative senior care in Michigan for 112 years.**
 - With a tradition of excellent service, a staff that treats the older adults they serve like family, and a commitment to cutting-edge care, UMRC offers a wide range of maintenance-free and amenity-rich options for seniors, and a full continuum of care should needs arise in the future—just like PH.
 - Built on a foundation of Christian tradition, with benevolent care as its cornerstone, UMRC has provided a safe haven for seniors for more than a century.
 - Today, UMRC offers Michigan’s most diverse housing options and services to more than 2,600 older adults of all income levels. UMRC’s wide range of services and living arrangements includes Chelsea Retirement Community, The Cedars of Dexter, The Pines Senior Apartments, Silver Maples of Chelsea, Rivertown Assisted Living, Rivertown Senior Apartments, Huron Valley PACE (Program of All-inclusive Care for the Elderly), Thome PACE and Senior CommUnity of Michigan. This continuum of care includes independent living, assisted living, skilled nursing and short-term medical and rehabilitative care, PACE and specialized dementia care.
- **A prospective PH/UMRC affiliation offers a fresh, exciting vision for the future of senior living in Michigan.**
 - Two Michigan-based companies. Two high-quality approaches to senior care. Two enduring faith-based traditions. **From shore to shore**, sharing what makes each of our communities strong, we will enrich the work we do on behalf of Michigan’s older adults.





Additional Details for UMRC Residents & Staff

- **UMRC has grown at a robust pace over the past decade, in accordance with our faith-based mission.**
 - We seek to offer our programs and services to as many Michigan older adults as possible—to enhance quality of life and bring comfort and well-being to residents and families across our state.
 - Because of our history of strong financial stewardship, we now have an opportunity to grow in West Michigan by affiliating with an organization that shares our priorities and guiding beliefs. The opportunity to grow in partnership with a like-minded, highly-rated organization is an excellent fit with UMRC’s mission and strategic plan.
- **Porter Hills (PH) is a care provider of choice in West Michigan, with a strong reputation and almost 50 years of experience.**
 - The organization’s services are designed to be comprehensive and inclusive, with a great variety of independent and assisted living communities, PACE, affordable housing, skilled care and services—just like UMRC. In addition, Porter Hills has a home health division, Green House Homes and partnership in hospice.
 - PH professionals touch the lives of more than 1,800 people every day, with staff that is deeply committed to quality, compassionate care for older adults. The PH team focuses on all dimensions of wellness: spiritual, occupational, emotional, physical and recreational.
 - PH offers knowledge, programs and services that are redefining quality of life for older adults and their families in West Michigan.



- **UMRC is “Growing to Serve.”**
 - UMRC’s vision is to continue its accelerated growth, creating and enhancing options to increase the number of older adults, families and communities it serves—in the ways that meet their needs and wishes—all while focusing on UMRC’s faith-based mission.
 - In 2008, the UMRC Board developed a strategic plan for growth, which is updated annually. This plan led to our two partnerships in Detroit and our three PACE locations. This also includes the possibility of exploring opportunities to collaborate and partner with other excellent service providers to create new services, expand existing services and enhance community resources. PH is an outstanding fit with UMRC’s vision for the future of Michigan’s older adults.
- **UMRC’s leadership team is well-prepared to guide this process forward.**
 - UMRC has a strong leadership team with a diverse background and skill sets. The UMRC Strategic Team possesses a total of 161 years of healthcare and senior living leadership experience. This team has been largely responsible for UMRC’s growth over the past decade.
 - Under the planned affiliation, both leadership teams will come together to ensure a seamless transition.
- **A prospective UMRC/PH affiliation offers a fresh, exciting vision for the future of senior living in Michigan.**
 - Two Michigan-based companies. Two high-quality approaches to senior care. Two enduring faith-based traditions. **From shore to shore**, sharing what makes each of our communities strong, we will enrich the work we do on behalf of Michigan’s older adults.





Frequently Asked Questions

Q. How will the proposed UMRC/PH affiliation change my daily life and/or work?

A. At this time, PH and UMRC are engaging in an exploratory process. We're in the very early stages of due diligence, which means we're both looking things over, gathering all the facts, and deciding whether or not we wish to continue with a formal affiliation. We do not anticipate significant impact to day-to-day operations or the delivery of services.

Because both organizations are fully committed to service excellence, we are doing all we can to be thoughtful and ensure an affiliation is the right fit for everyone—residents, members, staff and communities. This is a time for asking questions and doing research.

The due diligence process is expected to last through the rest of 2018, at minimum.

Q. What is “due diligence”?

A. “Due diligence” is a term for all the steps two organizations take when they are considering affiliation. It includes a review of all assets, liabilities, structure and other important factors. By performing due diligence, both sides of a transaction may be sure they have all the information they need to move forward comfortably.

Q. Will the proposed affiliation have any impact on the cost of residents' housing and/or care?

A. We are still very early in the exploratory phase of our journey.

However, we can assure you that both PH and UMRC are committed to maintaining high quality care and services, appropriately priced. We are also determined to serve as effective stewards of the funds with which we have been entrusted. Regardless of what happens in the future, these core values will never change.



Q. Will any buildings have to close?

A. These types of conversations are still years away. We are only beginning to explore affiliation. We remain committed to our diverse service offerings and operating in a sustainable manner. As part of the affiliation, investments will be made into existing locations.

Q. Will either organization have to change its name?

A. We have just begun to do our due diligence, and we recognize the strength of both brands. It is not anticipated that we will have a name change immediately and that consideration will be part of a long-term strategic planning process.

Q. What will the legal structure of the new organization be, actually? Is this a merger? An acquisition?

A. The legal structure will be determined during the due diligence period. The affiliation plan calls for PH and UMRC to come together under one ownership structure.

Q. What are the steps associated with affiliation?

A. We are still in the very early stages of this process, which will take many months to complete. Typically, due diligence is followed by the development of a plan for coming together under shared leadership. Details of the affiliation will be determined during this period.

Both the UMRC and Porter Hills boards will evaluate the results of the due diligence period and will make a final decision, based on what's right for their missions.



Q. What happens if you start the due diligence and decide the affiliation is not going to be a good fit?

A. If due diligence raises any issues of concern, either party will be able to put a stop to permanent future affiliation. The only legal action we have taken is to sign a letter of intent, which is just that—a statement of intent. It is not a long-term, binding contract, but does offer us a starting point for moving forward.

Both PH and UMRC see tremendous collaborative opportunities on the horizon, and both parties are extremely excited about the promises our shared future holds.

Q. Why did Porter Hills choose UMRC?

A. To be strong in the future, PH began seeking out possible partners last year. Using a thoughtful process and clear list of criteria (mission compatibility, nonprofit, faith-based and cultural/strategic alignment) PH sought the best option to strengthen its market position, increase its competitive advantage and better serve patients, members and residents.

At the heart of this process is the continued commitment of PH to providing quality, compassionate care with our tradition of excellence. After coming to know UMRC and understand its consistent, outstanding approach to providing care, PH knew a potentially strong fit might be on the horizon.

Q. Why did UMRC choose Porter Hills as a possible partner?

A. UMRC's strategic plan includes growing to serve more older adults. PH and UMRC are similarly positioned as providers of choice in their respective markets. With five-star facilities, designations as "top places to work," and other complementary strengths, UMRC believes affiliation will leverage both organizations' strengths and lead to better care options for more older adults across the entire state of Michigan.

- PH services are designed to be comprehensive and inclusive, with a great variety of independent and assisted living arrangements, skilled care and services—just like UMRC.
- PH professionals are deeply committed to quality, compassionate care to older adults. The PH team focuses on all dimensions of wellness: spiritual, occupational, emotional, physical and recreational, just as UMRC does.





Q. Why are you still growing? When will you be big enough?

- A.** Size is not the goal for either UMRC or PH—it is, rather, excellence in our mission. Our two organizations are leaders in our markets. If we join together under common leadership, our ability to serve older adults is significantly enhanced. We are tremendously excited about what the future holds, and we look forward to pursuing our shared objectives in the months and years ahead.

If you have additional questions or wish to discuss this process further, please contact the following individuals:

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