

The University of Michigan  
**Regents Communication**  
Action Request

Date: September 21, 2023  
Subject: Dissolution of WMed ForenTox, LLC, a Sparrow joint venture  
Action Requested: Approval to Dissolve WMed ForenTox, LLC

Background:

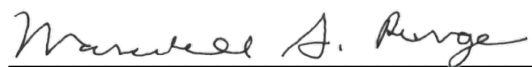
The University of Michigan, through its academic medical center and clinical enterprise, Michigan Medicine and the University of Michigan Health (collectively “UM”), serves patients from across the state and beyond through a system of care that includes important relationships with other leading health systems, hospitals, and physicians. Sparrow Health System (“SHS”) is a wholly owned subsidiary of UM. Edward W. Sparrow Hospital Association (“Sparrow Hospital – Lansing”) is the main hospital of SHS and is a wholly owned subsidiary of SHS. Sparrow Hospital – Lansing holds the interest in WMed ForenTox, LLC (“ForenTox”).

ForenTox is a toxicology testing laboratory that is co-owned by Sparrow Hospital – Lansing and Western Michigan University Homer Stryker M.D. School of Medicine (“Western MI Med School”). Each party owns 50%. This joint venture was formed in January of 2019 to address the toxicology testing needs of the parties. ForenTox served both parties’ needs but with advancements in technology, both parties agree that it is in their best interest to rely on their individual platforms moving forward and dissolve and wind down ForenTox. Sparrow Hospital – Lansing estimates saving approximately \$650,000 annually by bringing this testing in house. There is de minimis financial impact otherwise associated with the dissolution, and there is no anticipated negative impact on patient care. ForenTox does not use SHS or Sparrow Hospital – Lansing branding.

Upon approval, the expectation is that Sparrow Hospital – Lansing and Western MI Med School leadership will work together to wind down and dissolve ForenTox by the end of 2023.

Accordingly, we request that the Board of Regents authorize the Executive Vice President for Medical Affairs and Dean of the Medical School and such other officers as he may designate to: (a) take any actions necessary or desirable to consummate the transactions described in this action request; and (b) to obtain or make, as applicable, all governmental and third-party approvals, consents, notices and authorizations that may be necessary.

Respectfully submitted,



Marschall S. Runge, M.D., Ph.D.  
Executive Vice President for Medical Affairs  
Dean of the Medical School