



FTC Successfully Challenges Hospital-Physician Group Merger

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The Federal Trade Commission (FTC) won a major victory in the U.S. District Court in the District of Idaho on January 24, 2013, when the district court ruled that the combination of St. Luke's Health System and the Saltzer Medical Group was anticompetitive. The FTC had filed a joint complaint with the Idaho Attorney General on March 12, 2013 challenging the hospital's acquisition of the physician group after the merger had taken place.

The court held that the merger would violate Section 7 of the Clayton Act and the Idaho Competition Act by creating a dominant single provider of adult primary care physicians in the Nampa, Idaho area with almost 80 percent of the market. In the Memorandum Opinion, Judge Winmill predicted that the deal would have anticompetitive effects for consumers and that health care costs would rise. The court ordered the parties to unwind the acquisition. See *St. Alphonsus Medical Center, et al v. St. Luke's Health Sys., Ltd.,* No. 1:12-CV-560-BLW (D. Id. Jan.24, 2014).

This ruling extends the FTC's recent success in blocking mergers of competing hospitals and demonstrates likely expansion of the scope of the FTC's aggressiveness challenging hospital-physician group mergers. This type of challenge has never been litigated to trial previously. Physician practice acquisitions have become more common and hospitals and physician groups must now be more cautious to market conditions in considering such combinations.

<http://www.businessweek.com/news/2014-01-24/hospital-antitrust-case-won-by-u-dot-s-dot-over-doctor-group-merger-1>

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