DOJ and FTC Release Draft Updated Guidelines for Vertical Mergers

On January 10, the Department of Justice (DOJ), along with the Federal Trade Commission (FTC), released a new draft guideline for vertical merger review. As opposed to horizontal mergers, vertical mergers generally combine entities that operate at different levels in the same supply chain. As vertical mergers become more commonplace in the healthcare industry, they are increasingly raising antitrust concerns as they often times don't trigger the same level of scrutiny as do horizontal mergers.

The much needed new guidelines specifically targeting vertical mergers serve to withdraw and update the DOJ non-horizontal merger guideline from 1984. The new guidelines adopt the principles and analytical frameworks used in the agencies' Horizontal Merger Guidelines, and adapt the antitrust review criteria and enforcement policy as specific to vertical mergers.

The draft guidelines are open for public comment for 30 days. Download the draft guidelines <u>here</u> and read the <u>DOJ press</u> <u>release</u> for more information.