

FTC and California AG Jointly Challenge John Muir's Acquisition of San Ramon Regional Medical from Tenet Healthcare

See case page: [FTC and California v. John Muir Health and Tenet Healthcare](#)

Update: On December 15, 2023, John Muir announced it would terminate its proposed deal to acquire Tenet's remaining interest in San Ramon Medical Center. On December 18th, the FTC and California moved to dismiss their federal court case and the FTC dismissed its administrative challenge.

Federal antitrust enforcement continues to pick up pace even as we near the year end. On November 17, the Federal Trade Commission sued to block John Muir Health's proposed \$142.5 million acquisition of San Ramon Regional Medical Center in California from Tenet Healthcare, citing antitrust concerns that the horizontal merger could eliminate competition and drive up costs for healthcare consumers.

Both John Muir and San Ramon Medical operate in the San Francisco Bay Area, across Contra Costa and Alameda counties. Based in Walnut Creek, John Muir Health is a nonprofit system that currently operates two hospitals and also holds a 49 percent non-operating ownership interest in San Ramon Medical. According to the [administrative complaint](#), the proposed

transaction under review would give John Muir the remaining 51 percent ownership of San Ramon Medical, currently owned and operated by Tenet Healthcare, a for-profit health system based in Texas. The FTC alleges this deal would give John Muir more than 50% of the market for inpatient general acute care (GAC) services in the region. The reduced competition would allow John Muir to demand higher rates at its existing two hospitals as well as San Ramon Medical, which would be its third hospital, leading to higher insurance premiums, co-pays, deductibles, and other out-of-pocket costs.

In addition to initiating administrative proceedings, the FTC expects to file in federal court for an injunction to halt the transaction pending the FTC administrative adjudication. The agency is also joined by the California attorney general in the investigation and litigation. Notably, the AG only has administrative authority over nonprofit healthcare entities in California, which would not cover for-profit entities like Tenet Healthcare. As of December 4, both [John Muir](#) and [Tenet Healthcare](#) have filed answers in response to the challenge. Stay tuned to [The Source Blog](#) for the latest developments in the case.