FTC Expresses Concerns About West VA's Pro-Healthcare Merger Legislation

The FTC today expressed concerns about proposed legislation in West Virginia aimed at facilitating provider mergers in <u>official written comments</u> to the measure. The state's legislation was drafted after the FTC challenged a West Virginia hospital merger in November, which we blogged about <u>here</u>. The FTC's concerns are laid out in its press release, included below. In short, the FTC says it isn't trying to prevent the good healthcare mergers, just the bad ones.

March, 10, 2016 FTC Press Release:

Federal Trade Commission staff submitted written <u>comments on the competitive</u> <u>impact of provisions in proposed legislation</u> in West Virginia that would provide for "cooperative agreements" between health care providers, and provisions purporting to confer "exemptions" from federal antitrust laws on certain health care providers. The comments are in response to a request from West Virginia State Delegate Mike Pushkin.

As stated in the comment by staff of the FTC's Office of Policy Planning and its Bureaus of Competition and Economics, Senate Bill 597 incorrectly assumes that the antitrust laws prohibit efficient health care mergers, acquisitions, and collaborations. Given that federal and state antitrust laws already permit cooperative agreements that are likely to benefit consumers, the purported antitrust exemption would have no procompetitive application. Instead, "FTC staff are concerned that this legislation is likely to foster mergers and conduct that are anticompetitive, inconsistent with federal antitrust law and policy, and liable to cause serious harm to West Virginia health care consumers," the comment concludes.