



March 16, 2015

The Honorable Edith Ramirez, Chairwoman
Federal Trade Commission
600 Pennsylvania, Avenue N.W., Room 438
Washington, D.C., 20580

The Honorable William Baer
Assistant Attorney General
United States Department of Justice
Antitrust Division
950 Pennsylvania Avenue, N.W.
Washington, D.C., 20530

Dear Chairwoman Ramirez and Assistant Attorney General Baer:

We are writing to convey our profound disappointment with the recent workshop entitled *Examining Health Care Competition*. As representatives of our nation's hospitals, we were frankly surprised at the lack of hospital participation/representation over the two days, especially as the day began with FTC staff saying that "our credibility depends heavily on our industry knowledge."

The Workshop's apparent lack of objectivity and balance deprived policymakers of the opportunity to better understand the strides the hospital field is making in transforming the delivery of healthcare in response to many market factors and how various types of transactions are essential to achieve that goal. As a result, we believe that the workshop did a disservice to its stated fact-finding mission, to the entire hospital field, and to the patients whose care benefits from the changes and innovations that are occurring.

We understand that many speakers at the workshop evidenced hostility to hospitals. Even in the framing presentation, for example, the speaker characterized hospitals as being motivated simply by "leverage" against health insurers and increases in Medicare payments, while overlooking quality and other key reasons for hospital collaboration and consolidation. We further

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understand that the simplistic depiction of hospitals seeking leverage over payers continued throughout the sessions. Based on reports about the workshop, we understand that the vast majority of speakers showed little to no recognition of any of the benefits of health care consolidation, and simply focused on feared increases in price or leverage. There was hardly any mention of even indisputable benefits, such as rescuing failing hospitals and improving the quality of services at hospitals with a low census or lack of capital to fund improvements to equipment.

The overwhelming anti-hospital points of view were perhaps not surprising, since it is our understanding that most of the speakers were either representatives of health plans or well-known critics of hospitals. The single speaker representing a hospital system was on the panel addressing Accountable Care Organizations. There was no representative of a hospital speaking about the benefits of provider consolidation. And of the many economists who testified, we could identify only one who has worked closely with hospital clients, even though there are many well-qualified health care antitrust economists who would have been able to contribute more balanced views.

We strongly urge that future health care forums allow for more balanced and comprehensive views about the transforming hospital field to be heard by seeking input from experienced hospital executives and their representatives.

To this end, the undersigned hospital associations stand ready to provide any assistance necessary to help provide appropriate panelists and subject matter to ensure the antitrust enforcement agencies obtain robust and complete marketplace information that ensures a balanced public record and a sound basis for public policy decisions. The undersigned associations reserve the opportunity to submit additional comments to ensure that the full record of this workshop contains a broad range of views. We trust that all of this information will be given consideration by the FTC and Antitrust Division.

Sincerely,

**American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Children's Hospital Association
Federation of American Hospitals**