

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman  
Julie Brill  
Maureen K. Ohlhausen  
Joshua D. Wright

In the Matter of	)	
	)	
Community Health Systems, Inc.,	)	
a corporation;	)	
	)	Docket No. C-
and	)	
	)	
Health Management Associates, Inc.,	)	
a corporation.	)	
	)	
	)	

DECISION AND ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition of Respondent Health Management Associates, Inc. (“HMA”), by Respondent Community Health Systems, Inc. (“CHS”), and Respondents having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondents, their attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Orders (“Consent Agreement”), containing an admission by Respondents of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint and Order to Hold Separate and Maintain Assets and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Decision and Order (“Order”):

1. Respondent CHS is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 4000 Meridian Boulevard, Franklin, TN 37067.
2. Respondent HMA is a corporation organized, existing, and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business located at 5811 Pelican Bay Boulevard, Naples, FL 34108.
3. The Federal Trade Commission has jurisdiction over the subject matter of this proceeding and of Respondents, and this proceeding is in the public interest.

## **ORDER**

### **I.**

**IT IS ORDERED** that, as used in this Order, the following definitions shall apply:

- A. “CHS” means Community Health Systems, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by CHS, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each. After the date the Acquisition is completed, “CHS” includes HMA.
- B. “HMA” means Health Management Associates, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by HMA, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. “Acquirer” means each Person approved by the Commission to acquire the Divestiture Assets pursuant to this Order.
- D. “Acquisition” means the acquisition described in and contemplated by the Agreement and Plan of Merger by and among CHS and HMA, dated July 29, 2013.

- E. “Acute Care Hospital” means a health-care facility licensed as a hospital, other than a federally-owned facility, having a duly organized governing body with overall administrative and professional responsibility and an organized professional staff that provides 24-hour inpatient care, and that provides General Acute Care Inpatient Hospital Services.
- F. “Business Records” means all information, books and records, documents, files, correspondence, manuals, computer printouts, databases, and other documents, including all hard copies and electronic records wherever stored, including without limitation, client and customer lists, patient and payor information, referral sources, research and development reports, production reports, service and warranty records, maintenance logs, equipment logs, operating guides and manuals, documents relating to policies and procedures, financial and accounting records and documents, creative materials, advertising materials, promotional materials, studies, reports, correspondence, financial statements, financial plans and forecasts, operating plans, price lists, cost information, supplier and vendor contracts, marketing analyses, customer lists, customer contracts, employee lists and contracts, salaries and benefits information, physician lists and contracts, supplier lists and contracts, and, subject to legal requirements, copies of all personnel files.
- G. “Carolina Pines Assets” means all of Respondents’ rights, title, and interest in all property and assets, tangible or intangible, of whatever nature and wherever located, relating to or used in connection with the Hospital Services and Outpatient Business of the Carolina Pines Regional Medical Center and all Carolina Pines Outpatient Facilities, including, without limitation, all:
1. Real property interests (including fee simple interests and real property leasehold interests, whether as lessor or lessee), wherever located, including all easements, appurtenances, licenses, and permits, together with all buildings and other structures, facilities, and improvements located thereon, owned, leased, or otherwise held;
  2. Tangible Personal Property, including, without limitation, any Tangible Personal Property removed from and not replaced at the Carolina Pines Regional Medical Center and all Carolina Pines Outpatient Facilities, if such property was used by or in connection with the Hospital Services and Outpatient Business of the Carolina Pines Regional Medical Center or any Carolina Pines Outpatient Facilities on or after July 29, 2013;
  3. Rights under any and all contracts and agreements (e.g., leases, service agreements such as dietary and housekeeping services, supply agreements, procurement contracts), including, but not limited to, contracts and agreements with physicians, other health care providers, unions, third-party payors, health maintenance organizations (“HMOs”), customers,

suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, cosigners, and consignees;

4. Rights and title in and to use the name of the Carolina Pines Regional Medical Center and all Carolina Pines Outpatient Facilities on a permanent and exclusive basis (even as to Respondents);
5. Medicare and Medicaid provider numbers for the Carolina Pines Regional Medical Center and all Carolina Pines Outpatient Facilities, to the extent transferable;
6. Intellectual Property;
7. Intangible rights and property other than Intellectual Property, including, going concern value, goodwill, internet, telecopy and telephone numbers, domain names, listings, and web sites;
8. Approvals, consents, licenses, certificates, registrations, permits, waivers, or other authorizations issued, granted, given, or otherwise made available by or under the authority of any governmental body or pursuant to any legal requirement, and all pending applications therefore or renewals thereof, to the extent assignable;
9. All consumable or disposable inventory, including, but not limited to, janitorial, office, and medical supplies, and at least thirty (30) treatment days of pharmaceuticals;
10. Accounts receivable;
11. Items of prepaid expense;
12. Rights under warranties and guarantees, express or implied; and
13. Business Records;

*provided, however*, that Respondents may retain a copy of Business Records to the extent necessary to comply with applicable law, regulations, and other legal requirements.

H. “Carolina Pines Outpatient Facilities” means:

1. Carolina Pines Regional Medical Center Sleep Center;
2. All facilities or entities providing Outpatient Services that are owned or controlled by Hartsville HMS Physician Management, LLC, including, but

not limited to, The Medical Group, Pee Dee Hospitalists, Pee Dee Weight Loss Clinic, The Children's Group, and Children's Care Clinic;

3. All facilities or entities providing Outpatient Services that are owned or controlled by Hartsville Medical Group, LLC, including, but not limited to, Hartsville Cardiology Associates, Hartsville Nephrology, Hartsville Nephrology and Endocrinology, Hartsville Orthopedics & Sports Medicine, The Children's Group, The Medical Group, The Medical Group Darlington, The Medical Group Swift Creek, and Women's Care of Hartsville; and
  4. All other entities or facilities providing Outpatient Services relating to Carolina Pines Regional Medical Center.
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- I. "Carolina Pines Regional Medical Center" means the Acute Care Hospital located at 1304 West Bobo Newsom Highway, Hartsville, SC 29550.
  - J. "Closing Date" means the applicable date on which each divestiture required by this Order is completed.
  - K. "Commission" means the Federal Trade Commission.
  - L. "Confidential Business Information" means information not in the public domain that is related to or used in connection with the Hospital Services and Outpatient Business, except for any information that was or becomes generally available to the public other than as a result of disclosure by Respondents, and includes, but is not limited to, pricing information, marketing methods, market intelligence, competitor information, commercial information, management system information, business processes and practices, payor and provider communications and information, bidding practices and information, procurement practices and information, supplier qualification and approval practices and information, and training practices.
  - M. "Direct Cost" means cost not to exceed the cost of labor, material, travel, and other expenditures to the extent the costs are directly incurred to provide Transitional Services. "Direct Cost" to an Acquirer for its use of any of Respondents' employees' labor shall not exceed the then-current average wage rate for such employee, including benefits.
  - N. "Divestiture Agreement" means each agreement between Respondents and each Acquirer (or between a Divestiture Trustee and the Acquirer, if applicable), and all amendments, exhibits, attachments, agreements, and schedules thereto, approved by the Commission, and pursuant to which the Divestiture Assets are divested as required by this Order.

- O. “Divestiture Assets” means:
1. Carolina Pines Assets, and
  2. Riverview Assets.
- P. “General Acute Care Inpatient Hospital Services” means a broad cluster of basic medical and surgical diagnostic and treatment services, provided on a 24-hour inpatient basis, for the medical diagnosis, treatment, and care of physically injured or sick persons with short term or episodic health problems or infirmities, that include an overnight stay in the hospital by the patient. “General Acute Care Inpatient Hospital Services” excludes: (i) services at hospitals that serve solely military personnel and veterans; (ii) services at outpatient facilities that provide same-day service only; and (iii) psychiatric, substance abuse, and rehabilitation services.
- Q. “Hospital Services and Outpatient Business” means the operation of, and all activities relating to, the:
1. Business of an Acute Care Hospital, which includes the provision of General Acute Care Inpatient Hospital Services; and
  2. Business of providing Outpatient Services, whether provided or performed at the Acute Care Hospital or in a different location.
- R. “Hold Separate Order” means the Order to Hold Separate and Maintain Assets issued by the Commission in this matter.
- S. “Intellectual Property” means, without limitation, all:
1. Patents, patent applications, and inventions and discoveries that may be patentable;
  2. Know-how, trade secrets, software, technical information, data, registrations, applications for governmental approvals, inventions, processes, best practices (including clinical pathways), formulae, protocols, standards, methods, techniques, designs, quality control practices and information, research and test procedures and information, and safety, environmental and health practices and information;
  3. Confidential or proprietary information, commercial information, management systems, business processes and practices, customer lists, customer information, customer records and files, customer communications, procurement practices and information, supplier qualification and approval practices and information, training materials,

sales and marketing materials, customer support materials, advertising and promotional materials; and

4. Rights in any jurisdiction to limit the use or disclosure of any of the foregoing, and rights to sue and recover damages or obtain injunctive relief for infringement, dilution, misappropriation, violation, or breach of any of the foregoing.
- T. “Outpatient Services” means a broad cluster of basic medical and surgical diagnostic and treatment services for the medical diagnosis, treatment, and care of physically injured or sick persons with short term or episodic health problems or infirmities, that does not include an overnight stay and/or admission as an inpatient in the hospital by the patient.
- U. “Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization, or other entity or governmental body.
- V. “Prospective Acquirer” means a Person with whom Respondents (or the Divestiture Trustee, if applicable) have signed a Divestiture Agreement pursuant to Paragraphs II. or III. of this Order (or Paragraph VII. of this Order, if applicable).
- W. “Relevant Area” means, as defined by the U.S. Office of Management and Budget, the:
1. Gadsden, Alabama, Metropolitan Statistical Area; or
  2. Florence, South Carolina, Metropolitan Statistical Area.
- X. “Relevant Employees” means any and all full-time employees, part-time employees, contract employees, or independent contractors whose duties, at any time during the ninety (90) days preceding the date the Acquisition is completed or at any time after the date the Acquisition is completed, related or relate to the Divestiture Assets.
- Y. “Respondents” means CHS and HMA, collectively or individually.
- Z. “Riverview Assets” means all of Respondents’ rights, title, and interest in all property and assets, tangible or intangible, of whatever nature and wherever located, relating to or used in connection with Hospital Services and Outpatient Business of Riverview Regional Medical Center and all Riverview Outpatient Facilities, including, without limitation, all:
1. Real property interests (including fee simple interests and real property leasehold interests, whether as lessor or lessee) wherever located, including all easements, appurtenances, licenses, and permits, together

with all buildings and other structures, facilities, and improvements located thereon, owned, leased, or otherwise held;

2. Tangible Personal Property, including, without limitation, any Tangible Personal Property removed from and not replaced at the Riverview Regional Medical Center and all Riverview Outpatient Facilities, if such property was used by or in connection with the Hospital Services and Outpatient Business of the Riverview Regional Medical Center or any Riverview Outpatient Facilities on or after July 29, 2013;
3. Rights under any and all contracts and agreements (e.g., leases, service agreements such as dietary and housekeeping services, supply agreements, procurement contracts), including, but not limited to, contracts and agreements with physicians, other health care providers, unions, third-party payors, HMOs, customers, suppliers, sales representatives, distributors, agents, personal property lessors, personal property lessees, licensors, licensees, cosigners, and consignees;
4. Rights and title in and to use the name of the Riverview Regional Medical Center and all Riverview Outpatient Facilities on a permanent and exclusive basis (even as to Respondents);
5. Medicare and Medicaid provider numbers for Riverview Regional Medical Center and all Riverview Outpatient Facilities, to the extent transferable;
6. Intellectual Property;
7. Intangible rights and property other than Intellectual Property, including, going concern value, goodwill, internet, telecopy and telephone numbers, domain names, listings, and web sites;
8. Approvals, consents, licenses, certificates, registrations, permits, waivers, or other authorizations issued, granted, given, or otherwise made available by or under the authority of any governmental body or pursuant to any legal requirement, and all pending applications therefore or renewals thereof, to the extent assignable;
9. Consumable or disposable inventory, including, but not limited to, janitorial, office, and medical supplies, and at least thirty (30) treatment days of pharmaceuticals;
10. Accounts receivable;
11. Items of prepaid expense;



12. Rights under warranties and guarantees, express or implied; and
13. Business Records;

*provided, however,* that Respondents may retain a copy of Business Records to the extent necessary to comply with applicable law, regulations, and other legal requirements.

AA. “Riverview Outpatient Facilities” means:

1. Gadsden Endoscopy Center;
2. Riverview Imaging & Laboratory Center;
3. Riverview Laboratory Bay Street;
4. Riverview Medical Center Laboratory;
5. Wound Care and Hyperbaric Center;
6. All facilities or entities providing Outpatient Services that are owned or controlled by Gadsden HMA Physician Management LLC, including, but not limited to, Primary Care Associates and Specialty Care Associates; and
7. All other entities or facilities providing Outpatient Services relating to Riverview Regional Medical Center.

BB. “Riverview Regional Medical Center” means the Acute Care Hospital located at 600 South 3<sup>rd</sup> Street, Gadsden, Alabama 35901.

CC. “Tangible Personal Property” means all machinery, equipment, spare parts, tools and tooling, fixtures, vehicles, furniture, inventories, office equipment, computer hardware, supplies and materials, and all other items of tangible personal property of every kind owned or leased by Respondents, wherever located, together with any express or implied warranty by the manufacturers, sellers, or lessors of any item or component part thereof and all maintenance records and other documents relating thereto.

DD. “Third Parties” means Persons other than Respondents or the Acquirer(s).

EE. “Transitional Administrative Services” means administrative assistance with respect to the Hospital Services and Outpatient Business, including, but not limited to, assistance relating to billing, accounting, governmental regulation, human resources management, information systems, managed care contracting, and purchasing, as well as providing assistance in acquiring, obtaining access, and

customizing all software used in the provision of such services.

- FF. “Transitional Clinical Services” means clinical assistance and support services with respect to the Hospital Services and Outpatient Business.
- GG. “Transitional Services” means Transitional Administrative Services and Transitional Clinical Services.

## II.

**IT IS FURTHER ORDERED** that:

- A. No later than six (6) months after the date this Order is issued, Respondents shall divest the Carolina Pines Assets, absolutely and in good faith and at no minimum price, as an on-going business, only to an acquirer that receives the prior approval of the Commission, and only in a manner (including a Divestiture Agreement) that receives the prior approval of the Commission.
- B. Respondents shall cooperate with the Acquirer to ensure that the Carolina Pines Assets are transferred to the Acquirer as a financially and competitively viable Hospital Services and Outpatient Business, operating as an ongoing Hospital Services and Outpatient Business, including, but not limited to, providing assistance necessary to transfer to the Acquirer all governmental approvals needed to operate the Carolina Pines Assets.
- C. Prior to the Closing Date, Respondents shall:
  - 1. Secure all consents and waivers from all Third Parties that are necessary for Respondents to divest the Carolina Pines Assets and/or to grant any license(s) to the Acquirer to permit the Acquirer to operate the Carolina Pines Assets; *provided, however*, that Respondents may satisfy this requirement by certifying that such Acquirer has executed all such agreements directly with each of the relevant Third Parties; and
  - 2. Take all actions necessary to ensure that the Carolina Pines Assets meet federal, state, local, and municipal requirements necessary to allow the transfer of the Carolina Pines Assets to the Acquirer.
- D. The purpose of the divestiture is to ensure the continuation of the Carolina Pines Regional Medical Center as an ongoing, viable Acute Care Hospital providing General Acute Care Inpatient Hospital Services and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission’s Complaint.

### III.

**IT IS FURTHER ORDERED** that:

- A. No later than six (6) months after the date this Order is issued, Respondents shall divest the Riverview Assets, absolutely and in good faith and at no minimum price, as an on-going business, only to an acquirer that receives the prior approval of the Commission, and only in a manner (including a Divestiture Agreement) that receives the prior approval of the Commission.
- B. Respondents shall cooperate with the Acquirer to ensure that the Riverview Assets are transferred to the Acquirer as a financially and competitively viable Hospital Services and Outpatient Business, operating as an ongoing Hospital Services and Outpatient Business, including, but not limited to, providing assistance necessary to transfer to the Acquirer all governmental approvals needed to operate the Riverview Assets.
- C. Prior to the Closing Date, Respondents shall:
  - 1. Secure all consents and waivers from all Third Parties that are necessary for Respondents to divest the Riverview Assets and/or to grant any license(s) to the Acquirer to permit the Acquirer to operate the Riverview Assets; *provided, however*, that Respondents may satisfy this requirement by certifying that such Acquirer has executed all such agreements directly with each of the relevant Third Parties; and
  - 2. Take all actions necessary to ensure that the Riverview Assets meet federal, state, local, and municipal requirements necessary to allow the transfer of the Riverview Assets to the Acquirer.
- D. The purpose of the divestiture is to ensure the continuation of the Riverview Regional Medical Center as an ongoing, viable Acute Care Hospital providing General Acute Care Inpatient Hospital Services and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's Complaint.

### IV.

**IT IS FURTHER ORDERED** that:

- A. After the date the Acquisition is completed, Respondents shall not use, solicit, or access, directly or indirectly, any Confidential Business Information of the Divestiture Assets, and shall not disclose, provide, discuss, exchange, circulate, convey, or otherwise furnish such Confidential Business Information, directly or indirectly, to or with any Person other than:

1. As necessary to comply with the requirements of this Order or the Hold Separate Order;
  2. Pursuant to a Divestiture Agreement;
  3. To enforce the terms of a Divestiture Agreement or prosecute or defend against any dispute or legal proceeding; or
  4. To comply with applicable law, regulations and other legal requirements.
- B. No later than five (5) days after the date the Acquisition is completed, Respondents shall provide written notification of the restrictions, prohibitions, and requirements of this Paragraph IV. to all of Respondents' employees, agents, and representatives employed at, or with responsibilities relating to, the Divestiture Assets, or who had or have access to or possession, custody, or control of any Confidential Business Information of the Divestiture Assets:
1. Such notification shall include a plain language explanation of the requirements of this Order and a description of the consequences of failing to comply with the requirements.
  2. Respondents shall provide such notification by US mail or by e-mail, with return receipt requested acknowledging receipt of the notification or similar transmission.
  3. Respondents shall maintain complete records of all such notifications at Respondents' corporate headquarters and keep a file of all receipts and acknowledgments for one (1) year after the Closing Date.
  4. Respondents shall provide the Acquirer (and the Hold Separate Trustee, if one is appointed) with a copy of such notification and with copies of all other certifications, notifications, and reminders sent to Respondents' personnel.
- C. Not later than thirty (30) days after the date the Acquisition is completed, Respondents shall:
1. Obtain, as a condition of continued employment post-divestiture, from each of Respondents' employees, agents, and representatives employed at or with responsibilities relating to the Divestiture Assets or who had or have access to or possession, custody, or control of any Confidential Business Information of the Divestiture Assets an executed confidentiality agreement that complies with the restrictions, prohibitions and requirements of this Order and the Hold Separate Order; and
  2. Institute procedures and requirements and take such actions as are

necessary to ensure that Respondents' personnel comply with the restrictions, prohibitions and requirements of this Paragraph IV., including all actions that Respondents would take to protect their own trade secrets and confidential information.

**V.**

**IT IS FURTHER ORDERED** that Respondents shall:

- A. No later than ten (10) days after a request from a Prospective Acquirer, provide the Prospective Acquirer with the following information for each Relevant Employee, as and to the extent permitted by law:
1. Name, job title or position, date of hire, and effective service date;
  2. Specific description of the employee's responsibilities;
  3. The base salary or current wages;
  4. Most recent bonus paid, aggregate annual compensation for Respondents' last fiscal year, and current target or guaranteed bonus, if any;
  5. Employment status (i.e., active or on leave or disability; full-time or part-time);
  6. Any other material terms and conditions of employment in regard to such employee that are not otherwise generally available to similarly situated employees; and
  7. At the Prospective Acquirer's option, copies of all employee benefit plans and summary plan descriptions (if any) applicable to the Relevant Employee.
- B. Within a reasonable time after a request from a Prospective Acquirer, provide to the Prospective Acquirer an opportunity to meet personally and outside the presence or hearing of any employee or agent of any Respondent, with any one or more of the Relevant Employees, and to make offers of employment to any one or more of the Relevant Employees.
- C. Not interfere, directly or indirectly, with the hiring or employing by the Prospective Acquirer of any Relevant Employees, not offer any incentive to such employees to decline employment with the Prospective Acquirer, and not otherwise interfere with the recruitment of any Relevant Employee by the Prospective Acquirer; *provided, however*, that Respondents may:
1. Advertise for employees in newspapers, trade publications, or other media, or engage recruiters to conduct general employee search activities, in

either case not targeted specifically at Relevant Employees; or

2. Hire Relevant Employees who apply for employment with Respondents, as long as such employees were not solicited by Respondents in violation of this Paragraph; *provided further, however*, that this Paragraph shall not prohibit Respondents from making offers of employment to or employing any Relevant Employee if the Prospective Acquirer has notified Respondents in writing that the Prospective Acquirer does not intend to make an offer of employment to that employee, or where such an offer has been made and the employee has declined the offer, or where the employee's employment has been terminated by the Acquirer.
- D. Remove any impediments within the control of Respondents that may deter Relevant Employees from accepting employment with the Prospective Acquirer, including, but not limited to, removal of any non-compete or confidentiality provisions of employment or other contracts with Respondents that may affect the ability or incentive of those individuals to be employed by the Prospective Acquirer, and shall not make any counteroffer to a Relevant Employee who receives a written offer of employment from the Prospective Acquirer; *provided, however*, that nothing in this Order shall be construed to require Respondents to terminate the employment of any employee or prevent Respondents from continuing the employment of any employee.
- E. Provide all Relevant Employees with reasonable financial incentives to continue in their positions until the Closing Date. Such incentives shall include, but are not limited to, a continuation, until the Closing Date, of all employee benefits, including the funding of regularly scheduled raises and bonuses, and the vesting of pension benefits (as permitted by law and for those Relevant Employees covered by a pension plan), offered by Respondents.
- F. Not, for a period of one (1) year following the Closing Date, directly or indirectly, solicit or otherwise attempt to induce any of the Relevant Employees who have accepted offers of employment with the Acquirer to terminate his or her employment with the Acquirer; *provided, however*, that Respondents may:
1. Advertise for employees in newspapers, trade publications, or other media, or engage recruiters to conduct general employee search activities, in either case not targeted specifically at Relevant Employees; or
  2. Hire Relevant Employees who apply for employment with Respondents, as long as such employees were not solicited by Respondents in violation of this Paragraph V.; *provided further, however*, that this Paragraph shall not prohibit Respondents from making offers of employment to or employing any Relevant Employee if the Acquirer has notified Respondents in writing that the Acquirer does not intend to make an offer of employment to that employee, or where such an offer has been made

and the employee has declined the offer, or where the employee's employment has been terminated by the Acquirer.

## VI.

**IT IS FURTHER ORDERED** that, at the request of an Acquirer, for a period not to exceed twelve (12) months, or as otherwise approved by the Commission, and in a manner (including pursuant to an agreement) that receives the prior approval of the Commission:

- A. Respondents shall provide Transitional Services to the Acquirer sufficient to enable the Acquirer to operate the Divestiture Assets, as applicable, and to provide General Acute Care Inpatient Hospital Services and Outpatient Services in substantially the same manner that Respondents have operated such facility and provided such services at the Divestiture Assets, as applicable; and
- B. Respondents shall provide the Transitional Services required by this Paragraph at substantially the same level and quality as such services are provided by Respondents in connection with the General Acute Care Inpatient Hospital Services and Outpatient Services provided at the Divestiture Assets, as applicable.

*Provided, however,* that Respondents shall not (i) require the Acquirer to pay compensation for Transitional Services that exceeds the Direct Cost of providing such goods and services, or (ii) terminate its obligation to provide Transitional Services because of a material breach by the Acquirer of any agreement to provide such assistance unless Respondents are unable to provide such services due to such material breach.

## VII.

**IT IS FURTHER ORDERED** that:

- A. If Respondents have not fully complied with the obligations imposed by Paragraphs II. or III. of this Order, the Commission may appoint a Divestiture Trustee to divest any remaining Divestiture Assets and perform Respondents' other obligations in a manner that satisfies the requirements of this Order. In the event that the Commission or the Attorney General brings an action pursuant to Section 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to divest the required assets. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph VII.A. shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to Section 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by Respondents to comply with this Order.

- B. The Commission shall select the Divestiture Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Divestiture Trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, and stated in writing their reasons for opposing, the selection of any proposed Divestiture Trustee within ten (10) days after notice by the staff of the Commission to Respondents of the identity of any proposed Divestiture Trustee, Respondents shall be deemed to have consented to the selection of the proposed Divestiture Trustee.
- C. Not later than ten (10) days after the appointment of a Divestiture Trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to effectuate the divestitures required by, and satisfy the additional obligations imposed by, this Order.
- D. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Paragraph, Respondents shall consent to the following terms and conditions regarding the Divestiture Trustee's powers, duties, authority, and responsibilities:
1. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to effectuate the divestitures required by, and satisfy the additional obligations imposed by, this Order.
  2. The Divestiture Trustee shall have one (1) year after the date the Commission approves the trust agreement described herein to effectuate the required divestitures, which shall be subject to the prior approval of the Commission. If, however, at the end of the one (1) year period, the Divestiture Trustee has submitted a plan to divest, or believes the divestitures can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or, in the case of a court-appointed Divestiture Trustee, by the court; *provided, however*, the Commission may extend the divestiture period only two (2) times.
  3. Subject to any demonstrated legally recognized privilege, the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities related to the relevant assets that are required to be divested by this Order and to any other relevant information, as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture. Any delays caused by Respondents shall extend the time for divestiture under this Paragraph VII. for a time period equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court.



4. The Divestiture Trustee shall use commercially reasonable efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. Each divestiture shall be made in the manner and to an Acquirer as required by this Order; *provided, however*, if the Divestiture Trustee receives bona fide offers from more than one acquiring Person, and if the Commission determines to approve more than one such acquiring Person, the Divestiture Trustee shall divest to the acquiring Person selected by Respondents from among those approved by the Commission; *provided further, however*, that Respondents shall select such Person within five (5) days after receiving notification of the Commission's approval.
5. The Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The Divestiture Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the Divestiture Trustee's duties and responsibilities. The Divestiture Trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at the direction of Respondents, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a commission arrangement contingent on the divestiture of all of the relevant assets that are required to be divested by this Order.
6. Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence, malfeasance, willful or wanton acts, or bad faith by the Divestiture Trustee.
7. The Divestiture Trustee shall have no obligation or authority to operate or maintain the relevant assets required to be divested by this Order.
8. The Divestiture Trustee shall report in writing to Respondents and to the Commission every thirty (30) days concerning the Divestiture Trustee's

efforts to accomplish the divestiture.

9. Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
  10. The Commission may, among other things, require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, representatives, and assistants to sign an appropriate confidentiality agreement relating to Commission materials and information received in connection with the performance of the Divestiture Trustee's duties and responsibilities.
- E. If the Commission determines that the Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph VII.
  - F. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestitures required by this Order.
  - G. The Divestiture Trustee appointed pursuant to this Paragraph VII. may be the same person appointed as Hold Separate Trustee pursuant to the relevant provisions of the Hold Separate Order.

### VIII.

**IT IS FURTHER ORDERED** that:

- A. No Divestiture Agreement shall limit or contradict, or be construed to limit or contradict, the terms of this Order, it being understood that nothing in this Order shall be construed to reduce any rights or benefits of any Acquirer or to reduce any obligations of Respondents under such agreements.
- B. Each Divestiture Agreement shall be incorporated by reference into this Order and made a part hereof.
- C. Respondents shall comply with all terms of each Divestiture Agreement, and any breach by Respondents of any term of any Divestiture Agreement shall constitute a failure to comply with this Order. If any term of any Divestiture Agreement varies from the terms of this Order ("Order Term"), then to the extent that Respondents cannot fully comply with both terms, the Order Term shall determine Respondents' obligations under this Order.

## IX.

### **IT IS FURTHER ORDERED** that:

- A. For a period of ten (10) years from the date this Order is issued, Respondents shall not, without providing advance written notification to the Commission in the manner described in this Paragraph:
1. Acquire, directly or indirectly, any stock, share capital, equity, or other interest in any Person that, at any time during the twelve (12) months immediately preceding such acquisition, was engaged in or is engaged in providing General Acute Care Inpatient Hospital Services in a Relevant Area; or
  2. Enter, directly or indirectly, into any agreement or other arrangement to manage or otherwise control an Acute Care Hospital, or be managed or otherwise controlled by an Acute Care Hospital, which, during the twelve (12) months immediately preceding such agreement or arrangement, was engaged or is engaged in providing General Acute Care Inpatient Hospital Services in a Relevant Area.
- B. Said notification shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (herein referred to as “the Notification”), 16 C.F.R. § 803 App., and shall be prepared and transmitted in accordance with the requirements of that Part, except that no filing fee will be required for any such notification, notification shall be filed with the Secretary of the Commission, notification need not be made to the United States Department of Justice, and notification is required only of Respondents and not of any other party to the transaction. Respondents shall provide the Notification to the Commission at least thirty (30) days prior to consummating the transaction (hereinafter referred to as the “first waiting period”). If, within the first waiting period, representatives of the Commission make a written request for additional information or documentary material (within the meaning of 16 C.F.R. § 803.20), Respondents shall not consummate the transaction until thirty (30) days after submitting such additional information or documentary material. Early termination of the waiting periods in this Paragraph may be requested and, where appropriate, granted by letter from the Bureau of Competition. *Provided, however*, that prior notification shall not be required by this Paragraph for a transaction for which Notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. § 18a.

## X.

**IT IS FURTHER ORDERED** that:

- A. Within thirty (30) days after this Order is issued, and every thirty (30) days thereafter until Respondents have complied with their obligations in Paragraphs II. and III. of this Order (or Paragraph VII. of this Order, if applicable), Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with Paragraphs II. and III. of this Order (or Paragraph VII. of this Order, if applicable). Respondents shall include in their compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II. and III. of this Order (or Paragraph VII. of this Order, if applicable), including a description of all substantive contacts or negotiations for the divestitures and the identity of all parties contacted. Respondents shall include in their compliance reports copies of all written communication to and from such parties, all internal memoranda, and all reports and recommendations concerning the divestiture.
- B. One (1) year after this Order is issued, annually for the next nine (9) years on the anniversary of that date, and at other times as the Commission may require, Respondents shall file verified written reports with the Commission setting forth in detail the manner and form in which they have complied and are complying with this Order.

## XI.

**IT IS FURTHER ORDERED** that Respondents shall notify the Commission at least thirty (30) days prior to:

- A. Any proposed dissolution of such Respondent;
- B. Any proposed acquisition, merger, or consolidation of such Respondent; and
- C. Any other change in such Respondent including, but not limited to, assignment and the creation or dissolution of subsidiaries, if such change may affect compliance obligations arising out of this Order.

## XII.

**IT IS FURTHER ORDERED** that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon five (5) days notice to the applicable Respondent made to their principal United States offices, registered office of their United States subsidiaries, or headquarters addresses, such Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of such Respondent and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and all other records and documents in the possession or under the control of such Respondent related to compliance with this Order, which copying services shall be provided by such Respondent at the request of the authorized representative(s) of the Commission and at the expense of such Respondent; and
- B. The opportunity to interview officers, directors, or employees of such Respondent, who may have counsel present, related to compliance with this Order.

**XIII.**

**IT IS FURTHER ORDERED** that this Order shall terminate ten (10) years from the date this Order is issued.

By the Commission.

Donald S. Clark  
Secretary

SEAL:  
ISSUED: