

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

In the Matter of)	
)	
Butterworth Health Corporation,)	
a corporation,)	
)	
and)	
)	
Blodgett Memorial Medical Center,)	
a corporation.)	Docket No. 9283

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that respondents Butterworth Health Corporation and Blodgett Memorial Medical Center, corporations subject to the jurisdiction of the Commission, have agreed to consolidate their services, facilities and operations; that the proposed consolidation, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C.

services, for physically injured or sick persons with short term or episodic health problems or infirmities.

(c) "Primary care inpatient hospital services " means basic general acute care inpatient hospital services, such as normal childbirth, general medicine, and basic general surgical procedures.

THE PARTIES

PARAGRAPH TWO: Butterworth Health Corporation ("Butterworth") is a non-profit corporation organized, existing and doing business under the laws of Michigan, with its principal place of business at 100 Michigan N.E., Grand Rapids, Michigan 49503. Butterworth, and/or its subsidiaries or affiliates, owns and/or operates Butterworth Hospital, a general acute care hospital in Grand Rapids.

PARAGRAPH THREE: Blodgett Memorial Medical Center ("Blodgett") is a non-profit corporation organized, existing and doing business under the laws of Michigan, with its principal place of business at 1840 Wealthy S.E., Grand Rapids, Michigan 49506. Blodgett owns and operates Blodgett Memorial Medical Center, a general acute care hospital in Grand Rapids.

JURISDICTION

PARAGRAPH FOUR: Butterworth and Blodgett are, and at all times relevant herein have been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12.

THE PROPOSED CONSOLIDATION

PARAGRAPH FIVE: On or about July 24, 1995, Butterworth and Blodgett entered into an agreement to consolidate their businesses by forming a common parent corporation. Respondents combined annual sales and their combined assets each exceed \$600 million.

NATURE OF TRADE AND COMMERCE

PARAGRAPH SIX: For the purposes of this Complaint, the relevant lines of commerce in which to analyze the proposed acquisition are the production and sale of general acute care inpatient hospital services and/or any narrower group of services contained therein, including, but not limited to, primary care inpatient hospital services.

PARAGRAPH SEVEN: For the purposes of this Complaint, the relevant sections of the country are the greater Kent County area, consisting of Kent County, together with portions of six adjoining counties (southern Newago County, southwest Montcalm County, western Ionia County, northern Barry County, northern

VIOLATIONS CHARGED

PARAGRAPH TWELVE: The consolidation described in PARAGRAPH FIVE, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C.

Administrative Law Judge, without further notice to you, to find the facts to be as alleged in the complaint and to enter an initial decision containing such findings, appropriate conclusions and order.

NOTICE OF CONTEMPLATED RELIEF

Should the Commission conclude from the record developed in any adjudicative proceedings in this matter that the proposed consolidation challenged in this proceeding would if consummated violate Section 7 of the Clayton Act, as amended, the Commission may order such relief against respondents as is supported by the record and is necessary and appropriate, including, but not limited to:

1. Rescission of the agreement between respondents to consolidate their businesses by forming a common parent corporation.
2. If the consolidation is consummated, divestiture of either Butterworth Hospital or Blodgett Memorial Medical Center hospital, and associated assets, in a manner that restores both hospitals as viable, independent competitors in the relevant markets, subject to the prior approval of the Federal Trade Commission.
3. A five (5) year ban on any combination of respondents hospitals, except as may be approved by the Commission.
4. A requirement, for a ten (10) year period, that each respondent provide prior notice to the Commission of any hospital acquisitions, mergers, consolidations, or any other combinations of a respondent's hospital with any other hospital in the relevant market.
5. Requirements that respondents file periodic compliance reports with the Commission.
6. Any other provisions appropriate to correct or remedy the anticompetitive effects of the transaction.

IN WITNESS WHEREOF, the Federal Trade Commission has caused this complaint to be signed by its Secretary and its official seal to be hereto affixed, at Washington, D.C. this eighteenth day of November, 1996.

By the Commission, Chairman Pitofsky recused and Commissioner Azcuenaga not participating.

SEAL

Donald S. Clark
Secretary