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UNITED STATES OF AMERICA BEFORE FEDERAL TRADE COMMISSION



COMMISSIONERS: Deborah Platt Majoras, Chairman Pamela Jones Harbour Jon Leibowitz

William E. Kovacic J. Thomas Rosch

BRIEF AMICUS CURIAE OF ECONOMICS PROFESSORS David Dranove, Northwestern University Leemore Dafny, Northwestern University Roger Feldman, University of Minnesota	EVANS	ON NORTHWE	STERN HEA	LTHCARE	CORPOR	RATION]	Docket No	o. 9315
David Dranove, Northwestern University Leemore Dafny, Northwestern University Roger Feldman, University of Minnesota						I		
Leemore Dafny, Northwestern University Roger Feldman, University of Minnesota		BRIEF AM	ICUS CURIA	E OF ECO	NOMICS :	PROFESS	SORS	
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Richard Lindrooth, Medical University of South Carolina Mark Satterthwaite. Northwestern University

1. Interest of Amici Curiae on health economics and the economics of industrial organization. This submission describes

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	that the member hospitals set prices independently.
	4. Why the Commissioners' ruling will reduce competition and harm consumers
	In our view, the FTC Commissioners' decision effectively vitiates the judge's decision and
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potential harm must not be overlooked. While quality competition may occur on general dimensions—e.g. efforts to cut prescribing errors for medications, the literature suggests that competition often centers on the availability of services. Under the banner of improving efficiency, what if Evanston and Highland Park decide to segment the market—say, let remoter dominate in boost compand vive compants Itiahland Doul-9. This could applie amonto a "must have" situation for each hospital for some services, putting managed care plans in the Mars. My

Martin Gaynor, Carnegie Mellon University

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Richel Total

Richard Lindrooth, Medical University of South Carolina

Mark Satterthwaite, Northwestern University

William D. Write

William D. White, Cornell University

Appendix

David Dranove is the Walter McNerney Distinguished Professor of Health Industry

Management at Northwestern University's Kellogg Graduate School of Management, where he is also Professor of Management and Strategy and Director of the Center for Health Industry

Market Economics. He has a Ph.D. in Economics from Stanford University. Professor

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emphasis on the health care industry.

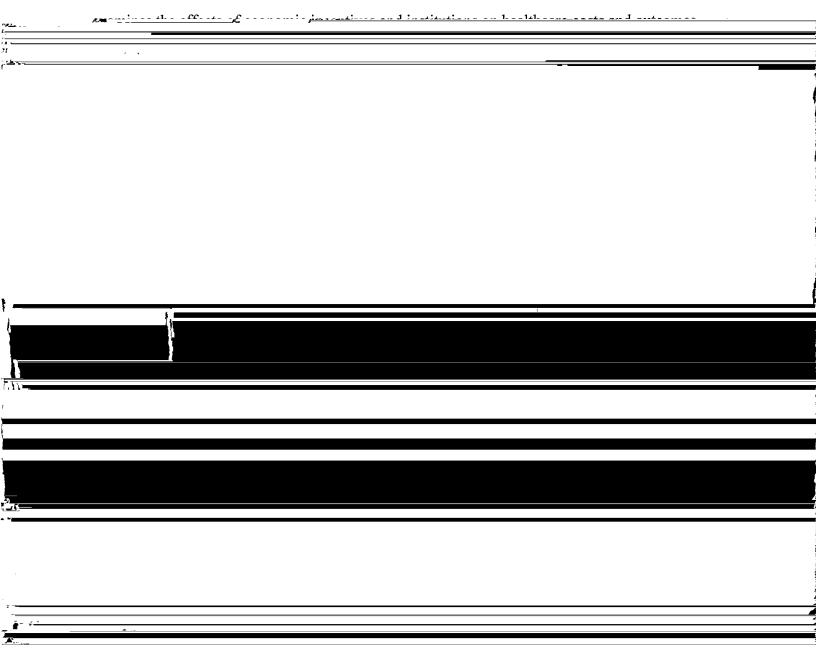
Leemore Dafny is Assistant Professor of Management and Strategy at Northwestern

University's Kellogg Graduate School of Management. Her research focuses on competition in

Department of Justice, and the California Department of Corporations on antitrust issues.He received his Ph.D. in economics from Northwestern University.

Vivian Ho holds the James A. Baker III Institute Chair in Health Economics at Rice University.

She is also an Associate Professor of Economics at Rice and an Associate Professor at the Baylor College of Medicine. Ho has a PhD in Economics from Stanford University. Ho's research



with a focus on the hospital sector.

Richard Lindrooth is an Associate Professor in Medical University of South Carolina's

Department of Upolth Administration and Policy, where he is also Associate Director of the

and Yale University. Professor White's research focuses on the organization and operation of healthcare markets.

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