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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Terrell McSweeny

In the Matter of	)	
	)	
RANGERS RENAL HOLDING, LP,	)	
a partnership,	)	
	)	
US RENAL CARE, Inc.	)	
a corporation,	)	Docket C-
	)	
and	)	
	)	
DIALYSIS PARENT, LLC	)	
a limited liability company,	)	
	)	
and	)	
	)	
DIALYSIS HoldCo, LLC.	)	
a limited liability company.	)	

COMPLAINT

Pursuant to the Clayton Act and the Federal Trade Commission Act (“FTC Act”), and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that the Respondent Rangers Renal Holdings LP (“Rangers Holdings”), a company subject to the jurisdiction of the Commission, has entered into an agreement to acquire Dialysis Parent, LLC (“Dialysis Parent”), a company subject to the jurisdiction of the Commission, in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate Section 7 of the of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint, stating its charges as follows:

I. DEFINITIONS

1. "Dialysis" means the filtering of a person ad 71(.e)16(n312 tw405076 312 T(l02n)wo T(od, i12 wn076 3i12

III. THE PROPOSED ACQUISITION

8. Pursuant to a Contribution Agreement between Rangers Holdings and Dialysis Parent dated August 21, 2015 ("Agreement"), Rangers Holdings will acquire all of the outstanding membership interests in Dialysis HoldCo, LLC, and, in exchange, Dialysis Parent will receive approximately 44% of the membership interests in Rangers Holdings in a transaction valued at approximately $640 million (the "Acquisition").

IV. THE RELEVANT MARKET

9. For the purposes of this Complaint, the relevant line of commerce in which to analyze the effects of the Acquisition is the provision of outpatient dialysis services. Most ESRD patients receive dialysis treatments three times per week in sessions lasting between three and five hours, while some patients receive treatment at home so they visit the clinic less frequently. ESRD is fatal if not treated with dialysis. The only alternative to outpatient dialysis treatments for patients suffering from ESRD is a kidney transplant. However, the wait iers a-2(a)-s(a)-s(a)-p -12.89 (r)-2(,)]vety t-S

VI. ENTRY CONDITIONS

14. The most significant barrier to entry into the relevant market is engaging a nephrologist with an established referral base to serve as the clinic's medical director. By law, each dialysis clinic must have a nephrologist medical director. The medical director is also essential to the competitiveness of the clinic because he or she is the clinic's primary source of referrals. The lack of unaffiliated nephrologists with an established referral stream is a significant barrier to entry into the relevant geographic market identified in Paragraph 11. Additionally, an area must have a low penetration of dialysis clinics and a high ratio of commercial to Medicare patients to attract entry. The absence of these attributes is an additional barrier to entry into the relevant geographic market.

15. The Laredo area does not have available nephrologists or other attributes that would attract entry into the relevant market sufficient to deter or counteract the anticompetitive effects described in Paragraph 16.

VII. EFFECTS OF THE ACQUISITION

16. The effects of the Acquisition, if consummated, may be substantially to lessen competition in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, in the following ways, among others:

    a. eliminating actual, direct, and substantial competition between USRC and DSI in the market for the provision of outpatient dialysis services;

    b. increasing the ability of the merged entity unilaterally to raise prices for outpatient dialysis services; and

    c. reducing incentives to improve service or quality in the relevant market.

VIII. VIOLATIONS CHARGED

17. The Agreement described in Paragraph 8 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

18. The Acquisition described in Paragraph 8, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on