

I. DEFINITIONS

1. “Dialysis” means the filtering of a person’s blood, inside or outside of the body, to replicate the functions of the kidney.
2. “ESRD” means end stage renal disease, a chronic disease characterized by a near total loss of function of the kidneys, which in healthy people remove toxins and excess fluid from the blood.
3. “Outpatient dialysis services” means all procedures and services related to administering chronic dialysis treatment.

II. RESPONDENTS

4. Respondent DaVita 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 2000 16th Street, Denver, Colorado 80202. Respondent DaVita, among other things, is engaged in the provision and sale of outpatient dialysis services.
5. Respondent Renal Ventures Partners, LLC (“RV Partners”) is a limited liability company organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its corporate head office located at 1626 Cole Boulevard, Lakewood, Colorado 80401.
6. Respondent RV Management Corp. (“RV Corp”) 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 1626 Cole Boulevard, Lakewood, Colorado 80401.
7. Respondent Renal Ventures Limited, LLC (“RVL”) is a limited liability company organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its corporate head office located at 1626 Cole Boulevard, Lakewood, Colorado 80401. RV Corp. and RV Partners own all of the issued and outstanding equity interests of RVL. RVL owns all of the issued and outstanding equity interests of Renal Ventures Management, LLC.
8. Respondent Renal Ventures Management, LLC (“RV Management”) is a limited liability company organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its corporate head office located at 1626 Cole Boulevard, Lakewood, Colorado 80401. RV Management, among other things, is engaged in the provision and sale of outpatient dialysis services as Renal Ventures.

9. Each Respondent is, and at all times herein has been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a company whose business is in or affects commerce, as “commerce” is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

III. THE PROPOSED ACQUISITION

10. Pursuant to a Membership Interest Purchase Agreement between DaVita and Renal Ventures dated August 17, 2015, including subsequent amendments

V. THE STRUCTURE OF THE MARKET

14. The market for the provision of outpatient dialysis services is highly concentrated in the seven local areas identified in Paragraph 13. The proposed Acquisition would further increase concentration levels, resulting in a merger to monopoly in one market, and reducing the number of providers from three to two in six markets.
15. DaVita and Renal Ventures directly and substantially compete in the relevant markets.

VI. ENTRY CONDITIONS

16. The most significant barrier to entry into the relevant markets 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 referral source. The C4(nu)-TR

VIII. VIOLATIONS CHARGED

19. The Agreement described in Paragraph 10 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
20. The Acquisition described in Paragraph 10, 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 this nineteenth day of May, 2017, issues its Complaint against said Respondents.

By the Commission.

Donald S. Clark
Secretary

SEAL: