UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman

J. Thomas Rosch Edith Ramirez Julie Brill

In the Matter of (

HEALTHCARE TECHNOLOGY HOLDINGS, INC., a corporation.

Docket No. C-4340

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 Respondent Healthcare Technology Holdings, Inc. ("Healthcare Technology"), a corporation subject to the jurisdiction of the Commission, has entered into an agreement to acquire, through its wholly owned subsidiary IMS Health Incorporated ("IMS"), all of the membership interests in SDI Health LLC ("SDI") from SDI Health Holdings LLC ("SDI Holdings"), 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, and that such acquisition, if consummated, would violate 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, 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. RESPONDENT

- 1. Respondent Healthcare Technology 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 83 Wooster Heights Road, Danbury, CT 06810. Respondent Healthcare Technology, through its wholly owned subsidiary, IMS, is engaged in the research, development, production, and sale of healthcare data and analytics.
- 2. Respondent Healthcare Technology is, and at all times relevant 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.

II. THE ACQUIRED COMPANY

- 3. SDI Holdings 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 1 SDI Drive, Plymouth Meeting, PA 19462. SDI Holdings, through its wholly owned subsidiary, SDI, is engaged in the research, development, production, and sale of healthcare data and analytics.
- 4. SDI Holdings is, and at all times relevant 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

5. Pursuant to a Membership Interest Purchase Agreement ("Acquisition Agreement") dated January 13, 2011, Healthcare Technology, through its wholly owned subsidiary, IMS, proposes to acquire all of the membership interests in SDI from SDI Holdings (the "Acquisition").

IV. THE RELEVANT MARKETS

- 6. For the purposes of this Complaint, the relevant lines of commerce in which to analyze the effects of the Acquisition are the production and sale of:
 - a. promotional audits; and
 - b. medical audits.
- 7. For the purposes of this complaint, the United States is the relevant geographic area in which to analyze the effects of the Acquisition in the relevant lines of commerce.

V. THE STRUCTURE OF THE MARKETS

8. Promotional audits provide estimates of pharmaceutical promotional activities for individual branded drugs in areas such as physician detailing, product sampling, and advertising. Pharmaceutical manufacturers and other customers use promotional audits to assess their promotional share of voice, or their share of spending in various promotional categories, which in turn helps such customers to determine their promotional budgets. The \$16 million market for promotional audits is highly concentrated; only IMS, SDI, and Cegedim S.A. offer promotional audits in the United States. IMS has a 30 percent share of this market, SDI has a 68 percent market share, and Cegedim has a 2 percent market share.

9. Medical audits provide estimates of disease-specific diagnoses made and therapies prescribed by physicians. Customers use medical audits to assess, among other things, the size of therapeutic areas, which products are used to treat particular diseases, and prescribing and treatment trends. The \$9 million market for medical audits is highly concentrated, with IMS accounting for 53 percent and SDI accounting for the remaining 47 percent of the market.

VI. ENTRY CONDITIONS

10. Entry into the relevant markets would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the Acquisition. Entry would not take place in a timely manner because of the significant time and expense required to recruit panels of physicians to provide the data underlying the estimates included in promotional and medical audits. In addition, entry is not likely because the sales opportunities available for any potential new entrant are likely too small to justify the cost of entering the markets.

VII. EFFECTS OF THE ACQUISITION

11. The effects of the Acquisition, if consummated, may be to substantially lessen competition and to tend to create a monopoly in the relevant markets 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, by eliminating actual, direct, and substantial competition between IMS and SDI in the markets for promotional audits and medical audits and producing a virtual monopoly in these two markets, thereby: (1) increasing the likelihood that IMS would unilaterally exercise market power in these markets; and (2) increasing the likelihood that consumers would be forced to pay higher prices for these products.

VIII. VIOLATIONS CHARGED

- 12. The Acquisition Agreement described in Paragraph 5 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
- 13. The Acquisition described in Paragraph 5, 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 twenty-eighth day of October, 2011, issues its Complaint against said Respondent.

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Donald S. Clark Secretary

SEAL: