



Office of the Secretary

FEDERAL TRADE COMMISSION
UNITED STATES OF AMERICA
WASHINGTON, D.C. 20580

December 15, 2014

Bilal Sayyed, Esquire
Kirkland & Ellis, LLP
655 Fifteenth Street, N.W.
Washington, D.C. 20005

Re: *In the Matter of Community Health Systems and
Health Management Associates, Docket No. C-4427*

Dear Mr. Sayyed:

This responds to the Application for Approval of Proposed Divestiture (“Application”) to Capella Healthcare, Inc., filed by Community Health Systems on October 14, 2014. Pursuant to the Decision and Order in Docket No. C-4427, Community requests prior Commission approval of its proposal to divest certain assets to Capella. The Application was placed on the public record for comments for thirty days, until October 20, 2014, and no comments were received.

After consideration of the Application and other available information, the Commission has determined to approve the proposed divestiture to Capella as set forth in the Application. In according its approval, the Commission has relied upon the information submitted and the representations made by Community and Capella in connection with Community’s Application and has assumed them to be accurate and complete.

This also responds to Community’s Petition for Extension of Time (“Petition”) filed by Community dated October 14, 2014. Pursuant to Commission Rule 4.3(b), 16 C.F.R. § 4.3(b), Community requests an extension of time in which to complete the divestiture required by the Decision and Order in this matter. Pursuant to the terms of the Decision and Order, Community was required to complete the divestiture within four months from the date the Commission issued the Order as final, or by October 14, 2014. Rule 4.3(b) provides that “the Commission, for good cause shown, may extend any time limit prescribed by the rules in this chapter or order of the Commission.” Under applicable precedent, Community has the burden of demonstrating good cause, and granting an extension of time rests in the discretion of the Commission.

The Commission has reviewed this Petition, Community’s compliance reports, and other information, and, after careful consideration, has determined to grant this Petition and extend the time in which Community must complete the divestiture to Capella as approved by the Commission today. Community has shown that it began its divestiture efforts

immediately upon reaching the consent agreement with the Commission staff, that it has acted diligently throughout the entire divestiture period and in close communication with the Commission staff to reach a final agreement with Capella, and that the delays in completing negotiations were not due to unreasonable demands or other unreasonable conduct by Community. The Commission expects that Community will complete the divestiture promptly upon the Commission's approval.

This is not a determination as to any request for extension of time pertaining to any other divestiture required by the Order.

By direction of the Commission.

Donald S. Clark
Secretary

cc: Neil Kunkel, Esquire
Executive Vice President/Chief Legal
and Administrative Officer
Capella Healthcare, Inc.
501 Corporate Centre Drive
Franklin, TN 37067