

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of

CENTRACARE HEALTH SYSTEM,
a corporation.

File No. 161-0096

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission, having initiated an investigation of the acquisition by CentraCare Health System (hereafter referred to as “Proposed Respondent”) of St. Cloud Medical Group, and it now appearing that Proposed Respondent is willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to suspend the operation of certain contracts and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent is a not-for-profit corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota with its office and principal place of business located at 1406 Sixth Avenue North, St. Cloud, MN 56303.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of the Complaint here attached.
3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order and Order to Suspend Enforcement of CentraCare Health Non-Competes and Maintain Assets (“Order to Suspend Non-Competes and Maintain Assets”), both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order or the Order to Suspend Non-Competes and Maintain Assets entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.

4. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Suspend Non-Competes and Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
5. Not later than thirty (30) days after the date this Consent Agreement is signed by Proposed Respondent, Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33. Proposed Respondent shall submit subsequent reports every thirty (30) days thereafter until the Order to Suspend Non-Competes and Maintain Assets becomes final. Each compliance report submitted shall describe in detail the manner in which Proposed Respondent has complied, is complying and will comply with the Consent Agreement, the Order to Suspend Non-Competes and Maintain Assets and the Decision and Order. In addition, each report shall provide sufficient information and documentation to enable the Commission to determine independently whether Proposed Respondent is in compliance with this Consent Agreement and each of the Orders.
6. Each report submitted pursuant to paragraph 5 above shall be verified by a notarized signature or sworn statement, or be self-verified in the manner set forth in 28 U.S.C. §1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Proposed Respondent shall file an original report and one copy with the Secretary of the Commission, and shall send one copy directly to the Bureau of Competition's Compliance Division. In addition, Proposed Respondent shall provide a copy of each report to the Monitor appointed by the Order to Suspend Non-Competes and Maintain Assets.
7. This Consent Agreement, and any compliance reports filed pursuant to this Consent Agreement, shall not become part of the public record of the proceeding unless and until the Consent Agreement is accepted by the Commission. If accepted by the Commission, this Consent Agreement, together with the draft of the Complaint, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
8. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of the Complaint here attached, or that the facts as alleged in the draft of the Complaint, other than jurisdictional facts, are true.
9. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) issue and serve its Complaint corresponding in form and substance

with the draft of the Complaint here attached, (b) issue and serve its Order to Suspend Non-Competes and Maintain Assets, and (c) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent, issue the attached Decision and Order providing for relief in disposition of the proceeding.

10. When final, the Decision and Order and the Order to Suspend Non-Competes and Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Suspend Non-Competes and Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Suspend Non-Competes and Maintain Assets to Proposed Respondent by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to any office within the United States of Kenneth W. Field, Esq., of Jones Day LLP, or of any other lawyer or law firm listed as Counsel for Proposed Respondent on this Consent Agreement – shall constitute service as to Proposed Respondent.
11. The Complaint may be used in construing the terms of the Decision and Order and the Order to Suspend Non-Competes and Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Suspend Non-Competes and Maintain Assets, or the Consent Agreement may be used to limit or contradict the terms of the Decision and Order or the Order to Suspend Non-Competes and Maintain Assets.
12. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order and the Order to Suspend Non-Competes and Maintain Assets, that the definition of “CentraCare Non-Compete Provisions” identifies and includes all provisions that might allow Proposed Respondent to prevent any physician who terminates employment with Proposed Respondent pursuant to the terms of the Decision and Order from Participating in a Third Party Medical Practice, and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are within the control of the party to this Consent Agreement.
13. Proposed Respondent has read the draft of the Complaint, the Decision and Order, and the Order to Suspend Non-Competes and Maintain Assets contained in this Consent Agreement. Proposed Respondent understands that once the Decision and Order and the Order to Suspend Non-Competes and Maintain Assets have been issued, Proposed Respondent will be required to file one or more compliance reports showing that it has

fully complied with the Decision and Order and the Order to Suspend Non-Competes and Maintain Assets.

14. Proposed Respondent agrees to comply with the terms of the proposed Decision and Order and the Order to Suspend Non-Competes and Maintain Assets from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order or of the Order to Suspend Non-Competes and Maintain Assets after each becomes final.

CENTRACARE HEALTH SYSTEM

FEDERAL TRADE COMMISSION

By: _____
Kenneth Holmen, MD
President & Chief Executive Officer
CentraCare Health System

By: _____
Robert Canterman
Malcolm Catt, Steve Vieux
Eric Sprague, Alpa Davis
Maren Schmidt, Amy Posner
Elisa Kantor, Charles Dickinson
Rohan Pai, Neal Perlman
Guia Dixon, Lisa DeMarchi-Sleigh
Michael Turner
Attorneys, Bureau of Competition

Dated: _____

Kenneth W. Field, Esq.
Douglas E. Litvack, Esq.
Jones Day
Counsel for CentraCare Health
System

APPROVED:
By: _____
Bradley S. Albert
Deputy Assistant Director
Health Care Division
Bureau of Competition

Markus H. Meier
Acting Deputy Director
Bureau of Competition

Deborah L. Feinstein
Director
Bureau of Competition
September 2016

