



Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580



United States Department of Justice
Antitrust Division
950 Pennsylvania Avenue, NW
Washington, DC 20530

April 1, 2015

American Hospital Association
155 North Wacker Drive
Chicago, IL 60606

Association of American Medical Colleges
655 K Street, NW, Suite 100
Washington, DC 20001-2399

Catholic Health Association of the United States
1875 Eye Street NW, Suite 1000
Washington, DC 20006

Children's Hospital Association
6803 West 64th Street
Overland Park, KS 66202

Federation of American Hospitals
750 9th Street, NW, Suite 600
Washington, DC 20001

Dear Hospital Association Representatives:

This responds to your March 16, 2015 letter concerning the joint Federal Trade Commission and U.S. Department of Justice, Antitrust Division, February 2015 workshop, *Examining Health Care Competition*.

Achieving balance and diversity of viewpoints was and remains a high priority for the workshop planning team, comprised of staff from both the FTC and the Antitrust Division. The February workshop was but one step in engaging stakeholders in an ongoing discussion of competition in the health care industry. As you know, we have solicited comments on the issues covered in the workshop and our comment period remains open until April 30. We would welcome substantive comments from your organizations and your members.

We, too, regret that several of your members chose not to participate in the February workshop. Over many months of planning, the workshop team consulted with numerous stakeholders in the health care industry, not only to better understand the workshop topics, but also to identify potential speakers. As the agenda, which was available in advance, demonstrates, panelists represented a broad range of perspectives, including hospitals and other health care providers, payers, economists, health policy experts, researchers/academics, consumer/patient advocates, government officials, and antitrust attorneys who focus on health care issues.

Hospital associations – including the American Hospital Association and Federation of American Hospitals – were among the first organizations whose perspectives and referrals we sought, and we made significant efforts to contact specific hospital stakeholders recommended by these associations, especially major hospital systems. In total, we reached out to 14 hospital systems or representative organizations. Unfortunately, many of your members and the parties you recommended declined to speak with us or to participate in the workshop.

Even though a number of your members chose not to participate, the workshop included hospital perspectives. Notable examples include the following:

- A director of the Healthcare Financial Management Association (HFMA) participated in both the provider consolidation and provider network design panels. More than half of HFMA's approximately 40,000 individual members are affiliated with hospitals. Furthermore, the advisory group for HFMA's "Value Project," one of HFMA's major initiatives relating to the workshop topics, consists of several major hospital and health provider systems. At the workshop, the HFMA representative explained many of the economic and other factors driving provider consolidation. He also discussed provider/hospital concerns regarding the use of narrow networks and limited networks, and argued that hospitals' contractual provisions prohibiting steering and tiering may be procompetitive.
- A senior executive at Sharp HealthCare – a large hospital system in San Diego, California, and an AHA health care system member – participated in the accountable care organization panel.
- The summation roundtable, which addressed most of the workshop topics, included private sector attorneys and a consulting economist, all of whom have worked on behalf of hospitals.

As we noted, the FTC and the Antitrust Division remain committed to receiving substantive input from the full range of stakeholders. In that spirit, we are including this exchange of correspondence in the record of those proceedings. If you or your members wish to supplement the record or to respond to statements made during the workshop, please encourage them to submit a public comment on any of the workshop topics. The comment period remains open through April 30, 2015.

Sincerely,

Marina Lao
Director, Office of Policy Planning
Federal Trade Commission

Robert Potter
Chief, Legal Policy Section
U.S. Department of Justice
Antitrust Division