UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Andrew N. Ferguson, Chairman**
Mark R. Meador

In the Matter of	)	
	)	
Centerbridge Seaport Acquisition Fund, L.P., a limited partnership;	)	
	)	
National Mentor Holdings, Inc., a corporation;	)	**Docket No. C-4829**
	)	
and	)	
	)	
BrightSpring Health Services, Inc., a corporation.	)	
	)	

COMPLAINT

Respondent Centerbridge Seaport Acquisition Fund, L.P., through its subsidiary Respondent National Mentor Holdings, Inc., agreed to acquire certain assets and equities from Respondent BrightSpring Health Services, Inc., for $835 million. The Federal Trade Commission has reason to believe that this acquisition violates 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. The Commission issues this Complaint, stating its charges as follows:

I. RESPONDENTS

1. Respondent Centerbridge Seaport Acquisition Fund, L.P. is a limited partnership, with its headquarters address at 375 Park Avenue, 11th Floor, New York, New York.

2. Respondent Centerbridge Seaport Acquisition Fund, L.P. controls Respondent National Mentor Holdings, Inc. (d/b/a "Sevita"), with headquarters at 6600 France Avenue South, Edina, Minnesota.

3. Sevita is the nation's largest provider of home and community-based services for individuals with intellectual and developmental disabilities ("IDD"). Sevita employs approximately 41,000 employees, serves approximately 50,000 individuals in 40 states, and generates approximately $3 billion in annual revenue.

4. Respondent BrightSpring Health Services, Inc., ("BrightSpring") is a corporation, with its headquarters address at 805 N Whittington Pkwy, Louisville, Kentucky. Respondent BrightSpring controls the ResCare Community Living business ("ResCare").

5. ResCare is the nation's second-largest provider of home and community-based services for individuals with IDD. ResCare operates in 24 states. In 2024, the business generated approximately $1 billion in revenue.

6. Respondents Sevita and ResCare operate home and community-based services for individuals with IDD in each of the geographic markets relevant to this Complaint and compete and promote their businesses in these areas.

II. JURISDICTION

7. Respondents, and each of their relevant operating subsidiaries and parent entities, and at all times relevant herein, have been engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and engaged in business that 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 TRANSACTION

8. Pursuant to a Purchase Agreement dated January 17, 2025, Sevita proposes to purchase ResCare for approximately $835 million ("the Transaction").

9. The Transaction is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

IV. THE RELEVANT SERVICE MARKET

10. For the purposes of this Complaint, the relevant service market in which to evaluate the effects of the Transaction is the provision of services to individuals with IDD in an Intermediate Care Facility ("ICF").

11. There are approximately eight million individuals in the United States with IDD, whose care represents over $70 billion in annual spending. Individuals with IDD rely on a broad range of long-term services and supports, including assistance with activities such as bathing, dressing, shopping, and cooking, as well as employment-related services, behavioral support, and supervision to complete tasks (collectively, "IDD Services"). IDD Service providers typically offer a variety of services depending on the needs of the individual. Medicaid is the predominant payer for these services.

12. The field of IDD Services encompasses various service models, broken down generally into institutional versus home- and community-based care. In 1971, Congress enacted legislation that provided federal funding for ICFs, residential facilities licensed and certified by state agencies. ICFs are typically run by private parties, such as Sevita and ResCare, although there are some that are state-owned. In 1981, Congress enacted legislation allowing Medicaid funding

for IDD Services through a different service model, commonly referred to as the Home and Community Based Services ("HCBS") waiver program. This model provides vouchers for more flexible spending and enables individuals with IDD to get long-term support in their home and community, rather than a more institutionalized setting.

13. Individuals with IDD can receive Medicaid funding for their long-term support needs by choosing *either* services through an ICF *or* the HCBS waiver program. ICFs provide the most structured setting compared to other residential settings for people with IDD. The provision of ICF services is an entitlement program, meaning that if an individual is eligible for an ICF level of care, the individual has a legal right to receive that service under Medicaid. In contrast, HCBS are optional Medicaid benefits and are therefore subject to admission restrictions.

14. Other types of IDD Services, including HCBS, state-owned ICFs, and non-residential services, are not reasonable substitutes for and do not competitively constrain ICF services. HCBS are excluded from an ICF services market because HCBS are not substitutable for ICF services and are offered under different competitive conditions. HCBS do not provide the same oversight, structure, or level of support as ICF services. As a result, individuals cannot substitute HCBS for ICF residential services.

15. Non-residential services such as day habilitation and other periodic services are excluded from an ICF services market. Periodic services are intermittent and are less than 24-hour. The ICF services market excludes periodic services because such services are not substitutable for residential services and are offered under different competitive conditions. Residential services are 24-hour services provided in a residential setting, and as a result, individuals cannot substitute periodic or intermittent services for 24-hour residential services.

16. A hypothetical monopolist of ICF services could profitably impose a small but significant and non-transitory worsening of terms, including by decreasing the quality of care provided to individuals with IDD. Moreover, a hypothetical monopolist would defeat an individual's choice to reside in a competing ICF.

V. THE RELEVANT GEOGRAPHIC MARKETS

17. The relevant geographic markets in which to analyze the competitive effects of the Transaction are the areas no greater than a core-based statistical area ("CBSA") in Indiana, Louisiana, and Texas. CBSAs include both the Metropolitan Statistical Areas and Micropolitan Statistical Areas, and they are similar enough that evidence relating to one generally supports claims about the other, absent evidence to the contrary. The relevant geographic markets encompass areas where Respondents meaningfully compete and where the Transaction will substantially lessen competition or tend to create a monopoly.

18. The relevant geographic markets for ICF services are no greater than CBSAs because, as Respondents recognize, individuals with IDD prefer to live near their family and friends. As a result, an individual with IDD is typically choosing between ICF services within a CBSA and not considering ICFs located in areas outside that CBSA, unless there are no beds available within

the CBSA.

19. In Indiana, the relevant geographic markets are the following five CBSAs: Evansville, Indianapolis, Muncie, Bedford, and Jasper. Respondents currently compete to provide ICF services to individuals with IDD in these CBSAs. Respondents compete for referrals, placement, and retention of these individuals who wish to reside in these CBSAs, and the Transaction will substantially lessen competition in each of these geographic markets.

20. In Louisiana, the relevant geographic market is the Baton Rouge CBSA. Respondents currently compete to provide ICF services to individuals with IDD in the Baton Rouge CBSA. Respondents compete for referrals, placement, and retention of these individuals who wish to reside in this CBSA, and the Transaction will substantially lessen competition in this geographic market.

21. In Texas, the relevant geographic markets are the following four CBSAs: Austin, Beaumont, Houston, and San Angelo. Respondents currently compete to provide ICF services to individuals with IDD in these CBSAs. Respondents compete for referrals, placement, and retention of these individuals who wish to reside in these CBSAs, and the Transaction will substantially lessen competition in each of these geographic markets.

VI. EFFECTS OF THE PROPOSED TRANSACTION

22. The effect of the Transaction, if consummated, may be substantially to lessen competition, or to tend to create a monopoly 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 competition between Respondents, the increase in market power from the Transaction would likely lead to decreased quality and a diminution, if not outright elimination, of consumer choice for the provision of ICF services to individuals with IDD in each of the relevant geographic markets. Respondents compete against each other to win customers' business by offering customers higher quality and consumer choice, among other benefits. The Transaction would eliminate this important competition to the detriment of individuals with IDD seeking care in an ICF in the relevant markets.

23. In each of the relevant geographic markets, Respondents are one another's largest and most direct competitor and engage in quality competition to win referrals. Respondents focus on the same types of customers: individuals with IDD who seek ICF services. Respondents compete with each other at three decision-points: (a) referrals of individuals with IDD who are seeking ICF services, (b) conversion of those referrals to residents in their ICFs, and (c) prevention of discharges or competitive switches to competitors.

24. The Respondents compete with each other along many quality (and other) dimensions, including facility quality, staff, ratings, inspection reports, safety, location, and recreational activities. The Transaction would lead to decreased quality competition.

25. The Transaction would also result in a reduction—or, in some local markets, complete elimination—of choice in providers. Indeed, market participants are virtually unanimous in the

view that it is important for individuals with IDD to have options, and individuals may choose between multiple providers.

26. Choice is a central, and historical, concept in the IDD Services community. For example, Section 1902(a)(23) of the Social Security Act states that all Medicaid beneficiaries have the right to freedom of choice of providers for Medicaid covered services. Moreover, following an industry-wide push toward the deinstitutionalization of IDD Services following the Supreme Court's decision in *Olmstead v. L.C.,* 527 U.S. 581 (1999), the core tenant of the modern IDD Services industry is to provide individuals the freedom to choose whether to reside in an ICF, a community setting, or in their own homes. According to state and local regulators, as well as non-profits and advocacy groups, choice is integral to the well-being of individuals with IDD. "Choice" is important because it includes differentiating characteristics between ICFs, such as the identity of the provider, the setting of the ICF, and the particular services offered in that ICF.

27. Reimbursement rates for ICFs (i.e., prices) are set by state Medicaid agencies pursuant to federal guidelines, meaning the merging parties typically do not primarily compete on price. Antitrust law, however, is not confined to price effects alone; it safeguards consumers—here, individuals with IDD—from a broader spectrum of harms. A substantial lessening of competition to provide ICF services can manifest along non-price dimensions, most notably in quality and choice. Quality harms occur when reduced rivalry diminishes incentives to maintain, invest in, or improve facilities, staffing levels and training, care standards, safety protocols, and individualized services—critical factors for vulnerable populations. Choice harms arise when consolidation limits the variety of providers, curtailing families' ability to select facilities aligned with their particular needs and preferences. Quality and choice directly impact the dignity, autonomy, and well-being of individuals with IDD.

VII. ENTRY CONDITIONS

28. Entry into the relevant markets would not be timely, likely, or sufficient in magnitude to prevent or deter the likely anticompetitive effects of the Transaction. Significant entry barriers include, *inter alia*, moratoriums on licensing new ICF beds, selecting an appropriate location for an ICF, obtaining permits and approvals from various federal and state agencies, recruiting, hiring, and retaining direct care workers, as well as making sufficient profit to sustain operations while meeting residents' needs.

VIII. VIOLATIONS CHARGED

29. The Transaction described in Paragraph 8 constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

30. The Transaction, 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.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-ninth day of January, 2026, issues its Complaint against said Respondents.

By the Commission.

April J. Tabor
Secretary