

Interlocutory Orders, Etc.

IN THE MATTER OF

PROMEDICA HEALTH SYSTEM, INC.

Docket No. 9346. Order, June 24, 2016

Letter approving application for the spin-out of the St. Luke's Hospital Assets, re-establishing St. Luke's Hospital as an independent, standalone community hospital.

LETTER ORDER APPROVING DIVESTITURE OF CERTAIN ASSETS

Stephen Y. Wu, Esquire
McDermott Will & Emery LLP

Re: In the Matter of ProMedica Health System, Inc.
Docket No. 9346

Dear Mr. Wu:

This responds to the Application for Approval of Proposed Divestiture ("Application") to St. Luke's Holding Company, Inc., filed by ProMedica Health System, Inc. on April 25, 2016. Pursuant to the Final Order in Docket No. 9346 ("Order"), ProMedica requests Commission approval of its proposal to divest the assets required to be divested pursuant to the Order. The Application was placed on the public record for comments for thirty days, until June 2, 2016. Eight comments were received.

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

This also responds to ProMedica's Request for Extension of Time to Comply with the Final Order ("Request") filed on October 23, 2015 and its Addendum to Request for Extension of Time to Comply with the Final Order filed on March 31, 2016. Pursuant to Commission Rule 4.3(b), 16 C.F.R. § 4.3(b),

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ProMedica requests an extension of time in which to complete the divestiture required by the Order in this matter. Pursuant to the terms of the Order, ProMedica was required to complete the divestiture within one hundred eighty (180) days from the date the Order became final and effective, or by November 2, 2015. 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, ProMedica has the burden of demonstrating good cause, and granting an extension of time rests in the discretion of the Commission. *United States v. Swingline, Inc.*, 371 F.Supp. 37, 45 (E.D.N.Y. 1974).

The Commission has reviewed this Petition, ProMedica’s compliance reports, and other information, and, after careful consideration, has determined to grant the Request and extend the time in which ProMedica must complete the divestiture to St. Luke’s as approved by the Commission today. ProMedica has shown that it began its effort immediately upon the Order becoming final and effective when the Supreme Court denied ProMedica’s petition for certiorari. ProMedica has remained in close communications with the Commission staff throughout its negotiations of a divestiture. ProMedica has shown that it has acted diligently throughout the divestiture period, that circumstances beyond its control are responsible for the delays, and that the delays in completing negotiations were not due to unreasonable demands or other conduct of ProMedica. Commission staff also believes that the additional time to reach an agreement with St. Luke’s was necessary to St. Luke’s due diligence and enabled St. Luke’s to acquire the divested assets with confidence of its future success. The Commission expects that ProMedica will complete the divestiture promptly upon the Commission’s approval.

By direction of the Commission.

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IN THE MATTER OF

**ADVOCATE HEALTH CARE NETWORK,
ADVOCATE HEALTH AND HOSPITALS
CORPORATION,
AND
NORTHSHORE UNIVERSITY HEALTHSYSTEM**

Docket No. 9369. Order, June 28, 2016

Order granting a Joint Expedited Motion seeking an additional 26 days continuance of the administrative hearing and related pre-hearing deadlines.

ORDER GRANTING CONTINUANCE

The evidentiary hearing in this administrative proceeding is scheduled to commence on July 11, 2016, following the grant of a prior continuance.¹ On June 14, 2016, the United States District Court for the Northern District of Illinois issued a memorandum opinion and order denying the Commission's request for preliminary injunctive relief.² The Commission then filed a notice of appeal with the United States Court of Appeals for the Seventh Circuit. On June 16, 2016, the Commission filed a Motion for Injunction Pending Appeal with the district court, which the district court granted. Complaint Counsel and Respondents now jointly request that the Commission stay the administrative proceedings until after the Seventh Circuit rules on the Commission's appeal, and grant a corresponding extension of all pre-hearing deadlines.³

Respondents state that if the Seventh Circuit grants the Commission's appeal, they will abandon the proposed transaction,

1 Commission Order Granting Continuance, *Advocate Health Care Network*, Docket No. 9369 (June 2, 2016), <https://www.ftc.gov/system/files/documents/cases/160602advocatehealthorder.pdf>.

2Memorandum Opinion & Order, *FTC v. Advocate Health Care Network*, No. 1:15-cv-11473 (N.D. Ill. June 14, 2016).

3 Joint Expedited Motion for Continuance of Administrative Proceedings, *Advocate Health Care Network*, Docket No. 9369, (June 24, 2016), <https://www.ftc.gov/system/files/documents/cases/160624advhcnmtn.pdf>.