

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

**COMMISSIONERS:**      **Edith Ramirez, Chairwoman**  
                                 **Maureen K. Ohlhausen**  
                                 **Terrell McSweeney**

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<b>In the Matter of</b>	)	
	)	
<b>Cabell Huntington Hospital, Inc.</b>	)	<b>Docket No. 9366</b>
<b>a corporation;</b>	)	
	)	
<b>Pallottine Health Services, Inc.</b>	)	<b>PUBLIC</b>
<b>a corporation;</b>	)	
	)	
<b>and</b>	)	
	)	
<b>St. Mary’s Medical Center, Inc.</b>	)	
<b>a corporation.</b>	)	

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**ORDER EXTENDING WITHDRAWAL FROM ADJUDICATION**

On November 5, 2015, the Commission issued an administrative complaint challenging Cabell Huntington Hospital’s proposed acquisition of St. Mary’s Medical Center. On March 24, 2016, the Commission issued an Order withdrawing this matter from adjudication, and staying all proceedings before the Administrative Law Judge, until April 25, 2016. We found good cause to take these steps in order to evaluate the impact, if any, of a newly enacted West Virginia statute, which empowers the West Virginia Health Care Authority (“WVHCA”) to prospectively review and approve or disapprove certain “cooperative agreements” between hospitals.<sup>1</sup>

On March 22, 2016, the WVHCA informed Cabell that it would have to secure WVHCA approval before consummating the proposed acquisition, and Cabell filed the requisite application on March 25, 2016. On April 18, 2016, Complaint Counsel and Respondents filed a Joint Motion to extend the withdrawal of this matter from adjudication and continue the current stay of proceedings until 14 days after the WVHCA “issues its written decision” regarding Cabell’s application.<sup>2</sup> As a condition of their Joint Motion, “Respondents agree not to consummate the Transaction while this matter is withdrawn from adjudication.”<sup>3</sup>

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<sup>1</sup> See W. Va. Code § 16-29B-28 (a)(2).

<sup>2</sup> Joint Motion at 1.

<sup>3</sup> *Id.* at 3 & n.3.

As we stated in our March 24 Order, we are committed to moving forward as expeditiously as possible with adjudicative proceedings.<sup>4</sup> We have determined, however, that there is good cause to extend the withdrawal of this matter from adjudication until a short time after the WVHCA determines whether to approve or deny Cabell's application. The new statute requires WVHCA to issue a written decision no more than 75 days after receipt of Cabell's completed application,<sup>5</sup> and as noted above, Respondents have agreed not to consummate the proposed acquisition while this matter is withdrawn from adjudication.<sup>6</sup> As a result, extending the withdrawal from adjudication until 14 days after the WVHCA issues its decision will enable us to evaluate its significance without any adverse effects on competition or consumer interests. We have therefore determined to grant the Joint Motion. Accordingly,

**IT IS HEREBY ORDERED** that the withdrawal of this matter in its entirety from adjudication, and the stay of all proceedings before the Administrative Law Judge, are extended until 11:59 p.m. EDT on the 14th calendar day after the West Virginia Health Care Authority issues its written decision, pursuant to Section 16-29B-28(e)(3) of the Code of West Virginia, regarding the Application for Approval of Cooperative Agreement (Acquisition of St. Mary's Medical Center) filed by Respondent Cabell on March 25, 2016.

By the Commission.

SEAL:  
ISSUED: April 22, 2016

Donald S. Clark  
Secretary

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<sup>4</sup> See Commission Rule 3.1, 16 C.F.R. § 3.1 (“[T]he Commission’s policy is to conduct [adjudicative] proceedings expeditiously.”); Rule 3.41(b), 16 C.F.R. § 3.41(b) (“Hearings shall proceed with all reasonable expedition . . .”).

<sup>5</sup> Joint Motion at 2, *citing* W. Va. Code § 16-29B-28(e)(3). If the WVHCA requests additional information, it may take an additional 15 days following receipt of that information to approve or deny Cabell's application. Joint Motion at 2 note 2, *citing* W. Va. Code § 16-29B-28(e)(3).

<sup>6</sup> If the WVHCA has not issued a written decision within 120 days of this Order, (1) the Respondents may provide Complaint Counsel and the Commission with seven-days' notice of their intent to consummate the transaction and (2) the Commission may return this matter to adjudication upon providing the Respondents with seven days' notice.