

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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



In the Matter of

The Penn State Hershey Medical Center,
a corporation,

and

Pinnacle Health System,
a corporation.

Docket No. 9368

PUBLIC DOCUMENT

ORIGINAL

JOINT MOTION TO DISMISS COMPLAINT

Complaint Counsel and Respondents, Penn State Hershey Medical Center and Pinnacle Health System, jointly move to dismiss the complaint in the above-captioned matter. On October 14, 2016, Respondents informed Complaint Counsel that they are abandoning the proposed combination of Penn State Hershey Medical Center and Pinnacle Health System. The Hart-Scott-Rodino filing for this proposed merger has expired and, as set forth in the attached press releases, Respondents have ended their efforts to pursue the proposed merger. Accordingly, the complaint is now moot.

The parties therefore respectfully request that the Commission dismiss the complaint. A proposed order is attached.

Dated: October 19, 2016

Respectfully submitted,

/s/ William H. Efron

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Geraldyn J. Trujillo
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[PROPOSED] ORDER GRANTING
JOINT MOTION TO DISMISS COMPLAINT

This matter having come before the Commission upon Complaint Counsel and Respondents' Joint Motion to Dismiss the Complaint, and having considered the positions of all parties, it is hereby ORDERED that the motion is GRANTED and the complaint is dismissed without prejudice.

SO ORDERED.

Date: _____

CERTIFICATE OF SERVICE

I hereby certify that on October 19, 2016, I filed the foregoing document electronically using the FTC's E-Filing System, which will send notification of such filing to:

Donald S. Clark
Secretary
FEDERAL TRADE COMMISSION
600 Pennsylvania Ave., N.W., Rm. H-113
Washington, DC 20580

The Honorable D. Michael Chappell
Chief Administrative Law Judge
FEDERAL TRADE COMMISSION
600 Pennsylvania Ave., NW, Rm. H-110
Washington, DC 20580

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*Counsel Supporting the Complaint
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CERTIFICATE FOR ELECTRONIC FILING

I certify that the electronic copy sent to the Secretary of the Commission is a true and correct copy of the paper original and that I possess a paper original of the signed documents that is available for review by the parties and the adjudicator.

Dated: October 19, 2016

/s/ Adrian Wager-Zito

Adrian Wager-Zito

PUBLIC

ATTACHMENT

PinnacleHealth, Milton S. Hershey Medical Center end integration efforts

UPDATE



PennState Health
Milton S. Hershey
Medical Center



PINNACLEHEALTH

On Sept. 27, the U.S. Court of Appeals for the Third Circuit ruled in favor of the Federal Trade Commission (FTC) and Pennsylvania Attorney General's Office (AG).

October 14, 2016 Penn State Health News

The Court overturned the May 9 decision by Judge John Jones, U.S. District Court for the Middle District of Pennsylvania, and in doing so granted the FTC and AG an injunction to prevent the integration of the Milton S. Hershey Medical Center and PinnacleHealth.

We are disappointed by the Court's decision. We firmly believe the integration of our two health systems would have served the best interests of patients and the entire central Pennsylvania community. But given the time and cost associated with continuing litigation, PinnacleHealth and the Milton S. Hershey Medical Center have decided to bring our integration efforts to a close.

While we pursued plans for our integration, PinnacleHealth and the Hershey Medical Center enjoyed a positive and collaborative working relationship. Where circumstances allow and where it makes the most sense for our patients, we will continue to collaborate in the future.

We are deeply grateful for the enthusiasm shown by the many employers, community physicians, commercial insurance providers, community leaders and others who have recognized the benefits of our proposed integration and demonstrated their broad support for it.

Both organizations remain firmly committed to controlling healthcare costs, increasing access to needed services, and improving the quality and safety of healthcare in our region.

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Update on Proposed PinnacleHealth and Hershey Medical Center Integration

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About PinnacleHealth System

PinnacleHealth System has been a leading provider of inpatient and outpatient healthcare services in central Pennsylvania since 1873. The 636-bed system has three acute care hospitals (Community General Osteopathic, Harrisburg and West Shore Hospitals) on four campuses (Community, Harrisburg, Polyclinic and West Shore) serving a five-county service area and supporting rural hospitals through affiliations and telehealth services. PinnacleHealth pursues innovative treatment options for the region through cardiac and cancer clinical trials, while offering convenient community services including medical home-certified primary care, urgent care, Magnet-recognized nursing excellence, emergency services, imaging, high-volume maternity care and a level III NICU, and workplace-based wellness services. PinnacleHealth includes a CardioVascular

Institute and Cancer Institute, as well as a Bone and Joint Institute, Neurosurgery and Neurosciences Institute, and Spine Care Center that combine a multi-disciplinary approach o comprehensive spine, bone, joint, orthopedic and sports medicine services. PinnacleHealth is recognized for high-quality care with national and regional recognitions for volumes, outcomes and safety. For more information, visit pinnaclehealth.org.

Notice of Electronic Service

I hereby certify that on October 19, 2016, I filed an electronic copy of the foregoing Joint Motion to Dismiss, with:

D. Michael Chappell
Chief Administrative Law Judge
600 Pennsylvania Ave., NW
Suite 110
Washington, DC, 20580

Donald Clark
600 Pennsylvania Ave., NW
Suite 172
Washington, DC, 20580

I hereby certify that on October 19, 2016, I served via E-Service an electronic copy of the foregoing Joint Motion to Dismiss, upon:

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