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Attorney General Bonta Joins FTC in Lawsuit Challenging John Muir Health's Anti-Competitive Acquisition of San Ramon Regional Medical Center

Press Release / *Attorney General Bonta Joins FTC in Lawsuit Challenging John...*

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OAKLAND – California Attorney General Rob Bonta today, alongside the Federal Trade Commission (FTC), filed an antitrust lawsuit in the U.S. District Court for the Northern District of California, challenging John Muir Health's (John Muir) acquisition of Tenet Healthcare Corporation's (Tenet) controlling interest in the for-profit San Ramon Regional Medical Center located in San Ramon in Contra Costa County. The complaint for a temporary restraining order and preliminary injunction filed today argues that the acquisition is inherently anticompetitive, and illegal under the Clayton Act. It seeks to block John Muir and Tenet from completing the proposed acquisition, under which John Muir would become the sole owner of San Ramon Regional Medical Center. In the lawsuit, Attorney General Bonta and the FTC argue the proposed acquisition illegally threatens to

eliminate substantial competition between the San Ramon Regional Medical Center and John Muir's nearby hospitals, significantly increasing consolidation in an already highly concentrated market, and leading to increased prices for patients, employers, and insurers.

"We're in court today challenging John Muir Health's anticompetitive acquisition of San Ramon Regional Medical Center, because when healthcare markets illegally consolidate, patients pay the price," **said Attorney General Bonta**. "At the California Department of Justice, ensuring that every Californian can access quality, affordable care is a top priority. Competitive markets help keep prices lower. We will continue to fight to ensure that Bay Area residents – and all Californians – can access the affordable healthcare they need to live healthy and happy lives."

San Ramon Regional Medical Center is a 123-bed general acute care hospital located in the community of San Ramon, California along the I-680 corridor in Contra Costa County. San Ramon Regional Medical Center is currently owned by Tenet and John Muir through a joint venture. Currently, Tenet, a for-profit healthcare company is 51% majority owner of San Ramon Regional Medical Center. Its profitable strategy for San Ramon Regional Medical Center has been to charge lower prices, while offering high quality care. John Muir is a hospital system headquartered in Walnut Creek, California, which owns two general acute care hospitals north of San Ramon along the I-680 corridor: the 540-bed Walnut Creek Medical Center and the 244-bed Concord Medical Center. Both of these hospitals are located in the same geographic market as, and are direct competitors to, San Ramon Regional Medical Center. As such, John Muir's purchase of the remaining interest in San Ramon raises significant competition concerns. A 2020 RAND study on hospital price transparency found John Muir's Walnut Creek Medical Center was the costliest hospital in the nation from 2016 through 2018, and reporting by the New York Times stated: "John Muir Health . . . [is] the most costly system in the nation. Private insurers pay its hospitals four times what Medicare reimburses for care."

In the lawsuit, Attorney General Bonta and the FTC argue that if John Muir were permitted to acquire San Ramon Regional Medical Center, insurers and their enrollees would have fewer alternatives for inpatient services in the I-680 corridor. As a result, John Muir would be able to demand higher rates from insurers. In turn, higher rates would likely lead to higher insurance premiums, co-pays, deductibles, and other out-of-pocket costs or reduced benefits for commercial health insurance enrollees. Furthermore, San Ramon Regional Medical Center also competes with John Muir for patients by investing to improve its quality, service offerings, and facilities. These investments, and the competition that prompts them, provide meaningful benefits to San Ramon's patients. If allowed to move forward, the proposed acquisition would immediately eliminate this competition, reducing healthcare investment and improvement along the I-680 corridor for California residents.

A copy of the complaint is available [here](#).

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