16 October 2018: Healthcare institutions sector

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The Autorité clears the proposed acquisition of the Capio group by Ramsay Générale de Santé.

On 13 August 2018, the European Commission referred to the *Autorité de la concurrence* the review of the acquisition of sole control of Capio by Ramsay Générale de Santé[1].

This relatively exceptional referral procedure leads the European Commission, which normally has jurisdiction to review a transaction in view of its scope and European scale, to entrust this review to the national authority when the latter is best placed to examine the impact of the transaction on national markets.

Parties to the transaction

Ramsay Générale de Santé is the French subsidiary of the Australian group Ramsay Health Care, which manages healthcare institutions in the United Kingdom, Australia, France, Italy, Indonesia and Malaysia. In France, Ramsay Générale de Santé operates 120 private health establishments.

The Swedish group Capio operates around 180 private health establishments in Europe, 23 of which are located in France.

The planned transaction is part of a public takeover bid announced on 13 July 2018, which will expire on 25 October 2018.

The planned transaction is not likely to raise competition issues in the diagnostic and hospital care markets, and in the healthcare institution supply

markets.

The *Autorité de la concurrence* assessed the impact of the transaction in the regions and *départements* where the parties simultaneously manage healthcare institutions: Île-de-France, Rhône-Alpes, Midi-Pyrénées, Provence-Alpes-Côte d'Azur, along with Rhône and Haute-Garonne.

It observed that the parties' cumulative market share is systematically inferior to 50%, regardless of the markets analyzed.
Further, the parties' clinics are confronted with competition arising from numerous public and private healthcare establishments in each of the zones where activities overlap.

In accordance with established practice in the sector, the *Autorité* reviews in particular the negative impact that the transaction could have on prices of related services invoiced to the patients and the medical quality of healthcare services in order to avoid any risk of "capture" of the professionals and an impoverishment of the diversity of healthcare services[2]. In this case, after a thorough examination of the situation in the different zones, in Ile-de-France and Lyon among others, the *Autorité de la concurrence* ruled out, for instance, any risk of adverse pricing effect on non-medical related services (price supplement for a private room, accommodation and meals for accompanying persons, television, phone, and extraordinary services) and any risk of deterioration in the quality of the medical care provided to patients.

In the upstream markets of procurement of goods (medical material) and services (laundry, cleaning) to healthcare establishments, the *Autorité de la concurrence* found that the planned transaction is not likely to create or reinforce a buying power, or to place suppliers in a state of economic dependency in the markets studied. The new entity will hold a limited market position, in France and in Europe, and suppliers will retain sufficient outlets.

[1] ***See the press release of 21 September 2018***
2 **See the press release on the takeover of Médipôle Partenaires by Elsan**

> See the full text of Decision 18-DCC-162 of 15 October 2018

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