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For Release

# FTC Challenges Hackensack Meridian Health, Inc.'s Proposed Acquisition of Competitor Englewood Healthcare Foundation

New Jersey healthcare system merger would increase price and reduce quality of healthcare

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**Tags:** [Competition](#) | [Bureau of Competition](#) | [Merger](#) | [Horizontal](#) | [Health Care](#) | [Hospitals and Clinics](#)

The Federal Trade Commission has filed an [administrative complaint](#), and authorized a suit in federal court, to block Hackensack Meridian Health, Inc.'s proposed acquisition of Englewood Healthcare Foundation.

According to the complaint, the merged healthcare system would control three of the six inpatient general acute care hospitals in Bergen County, New Jersey. The proposed acquisition would eliminate close competition between Hackensack Meridian Health and Englewood in Bergen County and leave insurers with few alternatives for inpatient general acute care services, which encompass a broad range of inpatient medical and surgical diagnostic and treatment services that require an overnight hospital stay. Hackensack Meridian Health would be able to demand higher rates from insurers for the combined entity's services, which, in turn, may lead to higher insurance premiums, co-pays, deductibles, or other out-of-pocket costs for plan members. In addition, the elimination of competition would reduce incentives to improve quality.

"This acquisition would give the combined hospital system increased bargaining leverage, likely leading to increased prices," said Ian Conner, Director of the FTC's Bureau of Competition. "The transaction would also remove the competitive pressures that have driven these hospitals to invest in quality improvements to the benefit of patients."

Spanning across eight counties in northern and central New Jersey, Hackensack Meridian Health is the largest healthcare system in New Jersey. In Bergen County, it operates its flagship hospital, Hackensack University Medical Center, and partially owns Pascack Valley Medical Center—both

located within 10 miles of Englewood's hospital. Englewood is a non-profit independent hospital and healthcare network located in northern New Jersey, and it provides very similar services to Hackensack University Medical Center, according to the complaint.

The Commission vote to issue the administrative complaint and to authorize staff to seek a temporary restraining order and preliminary injunction was 5-0. The federal court complaint and request for preliminary relief will be filed in the U.S. District Court for the District of New Jersey to halt the transaction pending an administrative proceeding. The administrative trial is scheduled to begin on July 15, 2021.

**NOTE:** The Commission issues an administrative complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The issuance of the administrative complaint marks the beginning of a proceeding in which the allegations will be tried in a formal hearing before an administrative law judge.

The Federal Trade Commission works to [promote competition](#), and protect and educate consumers. You can learn more about [how competition benefits consumers](#) or [file an antitrust complaint](#). For the latest news and resources, [follow the FTC on social media](#), [subscribe to press releases](#) and [read our blog](#).

#### Press Release Reference

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[Statement of Federal Trade Commission Bureau of Competition Deputy Director John M. Newman on Federal Appeals Court Ruling Affirming Preliminary Injunction to Halt Merger of New Jersey Hospital Networks](#)

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