



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

FTC Sues to Block Novant Health's Acquisition of Two Hospitals from Community Health Systems

Proposed acquisition would eliminate competition, increase health care costs in North Carolina's Eastern Lake Norman Area

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The Federal Trade Commission today sued to block Novant Health, Inc.'s \$320 million acquisition of two North Carolina hospitals from Community Health Systems, Inc. ("CHS").

The Commission [issued an administrative complaint](#) and authorized a lawsuit in federal court to block the proposed acquisition, alleging that Novant Health's proposed deal to acquire Lake Norman Regional Medical Center and Davis Regional Medical Center from CHS threatens to raise prices and reduce incentives to invest in quality and innovative care that would benefit patients.

"Hospital consolidations often lead to worse outcomes for nurses and doctors, result in higher prices, and can have life and death consequences for patients," said Henry Liu, Director of the FTC's Bureau of Competition. "There is overwhelming evidence that Novant's deal with Community Health Systems will be detrimental to patients in the Eastern Lake Norman Area, including leading to higher out-of-pocket costs for critical health care services."

Currently, Novant operates Huntersville Medical Center and serves more patients than any other hospital in the Eastern Lake Norman Area. Novant is one of the largest hospital systems in the southeastern United States including in North Carolina. It is also one of the most expensive hospital systems in North Carolina, according to the FTC's administrative complaint.

Under the proposed deal, Novant would acquire Lake Norman Regional Medical Center, which sits 11 miles away from Novant's Huntersville Medical Center. Additionally, Novant would acquire other related assets from CHS including Davis Regional Medical Center (a behavioral health hospital), a physician group of 24 physicians employed by Lake Norman Regional Medical Center, a majority interest in an endoscopy center in Mooresville, and an entity holding a North Carolina certificate of need to build an ambulatory surgery center in Mooresville.

As the FTC alleges, the proposed deal with CHS would allow Novant to control nearly 65% of the market for inpatient general acute care services ("GAC") in the Eastern Lake Norman Area of North Carolina, which primarily includes Iredell County and northern Mecklenburg County. Inpatient GAC services include a broad range of essential medical, surgical, and diagnostic services that require an overnight hospital stay.

With fewer alternatives for inpatient GAC services, Novant would be able to demand higher rates for its services. The FTC alleges the proposed acquisition would likely increase annual health care costs by several million dollars. These higher costs would then be passed on to patients. The deal would also reduce Novant's incentive to compete to attract patients by improving its facilities, service offerings, and quality of care.

The Commission vote to issue the administrative complaint and authorize staff to seek a temporary restraining order and seek a preliminary injunction was 3-0. The federal court complaint and request for preliminary relief will be filed in the U.S. District Court for the Western District of North Carolina to halt the transaction pending an administrative proceeding.

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. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. 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](#).



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