

POSSIBLE EFFECT ON COMPETITION

§ 999.5(d)(6)(A)

For any agreement or transaction for which a Premerger Notification and Report Form is required to be submitted to the Federal Trade Commission under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, a brief analysis of the possible effect of any proposed merger or acquisition of each health care facility that is the subject of the agreement or transaction on competition and market share in any relevant product or geographic market.

The transaction will not have a material effect on competition or market share in the geographic market of any of the DCHS Health Facilities.

Prime and Prime Foundation do not operate any health facilities in northern California, where four of DCHS's Health Facilities are located (O'Connor Hospital, Saint Louise Regional Hospital, Seton Medical Center and Seton Coastside).

Prime and Prime Foundation, on the one hand, and two of the Hospital Corporations, on the other hand, operate health facilities in Los Angeles County. Prime and Prime Foundation operate eight health facilities in Los Angeles and Orange Counties, spread out over 50 miles. The Southern California DCHS Health Facilities in the same region are St. Vincent Medical Center and St. Francis Medical Center. In the same 20-mile radius within which the health facilities of Prime and Prime Foundation, St. Vincent Medical Center and St. Francis Medical Center are located, there are also several large and reputable hospitals that will continue to operate as significant competitive constraints on the combined DCHS-Prime health system, including but not limited to UCLA Medical Center (369 beds), Cedars-Sinai Medical Center (865 beds), Keck Medical Center of the University of Southern California (250 beds), and Huntington Memorial Hospital (552 beds). Additionally, there are many other acute care hospitals that are not affiliated either with Prime or DCHS. Therefore, due to the number of other larger, reputable hospitals in the region surrounding the Prime and DCHS hospitals in Southern California, any possible adverse competitive effect is not material.