

Winston Cures FTC's Anti-Hospital Merger Fever for NorthShore

JUNE 14, 2016

A Winston & Strawn team obtained a major merger victory for our client, NorthShore University HealthSystem, over the Federal Trade Commission (FTC) in a preliminary injunction proceeding in the Northern District of Illinois. The case and decision have received significant national press coverage including the [Chicago Tribune](#), [Chicago Crain's](#), [Modern HealthCare](#), [Law360](#), and other press outlets.

NorthShore and Advocate Health Care announced a proposed merger of their multi-hospital systems in the Chicago metropolitan area in 2014. The proposed merger of 15 hospitals with over \$7 billion in revenue is one of the largest healthcare mergers ever proposed and will create the tenth largest hospital system in the United States. The Winston team was involved on behalf of NorthShore from start to finish including the antitrust strategy, due diligence, corporate work, FTC investigation, and ultimately the nine-day preliminary injunction hearing in federal court.

In December 2015, after an extended review period, the FTC elected to file a preliminary injunction in the Northern District of Illinois to block the merger. After months of accelerated discovery, the parties began the two-week hearing in April 2016.

On June 14, 2016, United States District Court Judge Jorge Alonso denied the FTC's motion for a preliminary injunction, holding that the FTC did not meet its burden of showing a likelihood of success on the merits of their antitrust claims.

This victory is precedent-setting because of the FTC's track record of success in challenging prior proposed hospital mergers. The FTC has lost only one hospital merger challenge in over ten years, and nearly 30 years since it lost a hospital merger in a major metropolitan area such as Chicago.

The Winston team was led by Partner Dan Webb, with assistance from Associates Conor Reidy and Laura Greenspan. The team received eDiscovery support from Curt Myers, as well as countless additional attorneys working on the FTC second request review process. The corporate merger transaction work was led by Partner Patrick Doyle.

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