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By [Liz Crampton](#)

Several South Carolina state lawmakers plan to alert the Federal Trade Commission about the proposed combination of two local health care systems that they say will be bad for competition.

Greenville Health System and Palmetto Health announced this month they're forming the largest health care system in the state. Nearly half of South Carolina residents will be within 15 minutes of the new health company's facilities, the companies said.

The case represents a unique example of public outcry about competition concerns, a worry generally relegated to antitrust lawyers. Local officials say Greenville Health System has grown notably in recent years.

South Carolina Rep. Mike Burns, a Republican who represents the Greenville area, told Bloomberg BNA he's "greatly concerned" about the deal. "They're very, very aggressive in growing their system," Burns said of Greenville Health System, or GHS. "What upsets me about

it is if they continue this pursuit, the prices on that front are going to hurt the taxpayers because of lack of competition.”

Particularly in the hospital space, the FTC relies on local groups to notify antitrust regulators of transactions that could violate antitrust laws. The agency often employs the help of state attorneys general in bringing lawsuits against deals that may be anticompetitive.

A spokeswoman for GHS said the organization plans to file antitrust paperwork with the FTC and “will comply with any requirement of the South Carolina Attorney General.” The spokeswoman noted that the deal is a “partnership, not a merger” and that the two health care providers will “remain separate legal entities” under a single parent company.

When the FTC reviews hospital mergers, it examines where the merging facilities overlap geographically and could reduce options for patients seeking care. Just because a health care merger would create a large provider doesn’t necessarily mean the transaction is in violation of antitrust laws. On the other hand, if the parties in a transaction say they aren’t merging, that doesn’t ensure that the FTC won’t investigate the partnership as anticompetitive.

A spokeswoman for Palmetto Health said the provider feels “confident” the deal should be approved and they “don’t expect any issues.”

“We will be glad to respond to any questions from the Federal Trade Commission,” she said.

‘Monopoly’

Another South Carolina lawmaker, Rep. Garry Smith, a Republican, said he plans to speak to the FTC about the deal, as well as South Carolina Attorney General Alan Wilson.

“I think the proposed partnership exacerbates an already bad situation for consumers of health care in South Carolina,” Smith told Bloomberg BNA.

Sen. Shane Martin, a Republican who’s also concerned about the deal, said he will “continue to follow Rep. Garry Smith’s lead and help him all I can with this issue to protect the taxpayers we represent.”

The lawmakers have an ally in the Association of Independent Doctors, a group that has worked closely with the FTC’s hospital merger enforcement program. Marni Jameson, the organization’s executive director, told Bloomberg BNA “we will dive in” consulting with the agency.

“It’s a monopoly,” Jameson said of the deal. “This is only going to cause costs to go one way.”

The group of lawmakers have been outspoken about GHS's expansion efforts in the past. Last year, they asked the FTC to investigate GHS's restructuring plan and examine if it could cause the health care provider to acquire entities in violation of antitrust laws.

Earlier this month, the same group said in a letter to the South Carolina Attorney General that GHS's growth "has come at an enormous cost to the public, which has seen increases in fees and charges wholly disproportionate to inflation, population growth, or any other factor beyond simple monopolistic power."

A spokesman for the South Carolina attorney general told Bloomberg BNA "the office will be discussing over the next couple of days what action, if any, he'll be taking," in response to concerns from lawmakers.

The FTC doesn't comment about investigations.

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