

## PRESS RELEASE

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### **Hospital concentrations: the Belgian Competition Authority confirms its merger control competence and adapts its analytical framework to the specificities of the sector**

Belgium is currently experiencing a wave of mergers and acquisitions in the hospital sector. Insofar as these structural operations involve a change of control over the establishments in question, and meet the statutory notification thresholds, they are subject to prior authorization by the Belgian Competition Authority. In spite of its regulated and mainly non-profit nature, the hospital sector is indeed an important sector of the economy accounting for some EUR 20 billion in revenues annually generated mostly by private structures, and employing tens of thousands of healthcare professionals.

The aim of the Belgian Competition Authority's prior examination is to verify that concentrations between hospitals are genuinely likely to generate benefits for patients that outweigh any risks associated with a reduction in the number of independent establishments in the relevant care area. In other words, the aim is to ensure that the entities resulting from such operations will continue to have the incentives to provide quality care at affordable conditions, in the interests of society and the sustainability of the social security system. In doing so, the Belgian Competition Authority fully integrates the applicable legal framework into its analysis, and strives to collaborate as closely as possible with the relevant sectoral authorities in order to reduce the administrative burden for hospitals.

In concrete terms, the Belgian Competition Authority's prior examination of hospital concentrations is essentially aimed at answering the following targeted questions:

1. What types of care (inpatient and outpatient) are provided by the hospitals in question, on each of their sites, and to what extent (number of hospitalisations/consultations, number of beds, staff, revenues)?
2. Where do the patients of each of the hospitals/sites come from, and which other hospitals and care providers are present in the relevant care area (based on RHM/DRG and INAMI data)?
3. What are the key performance indicators (KPIs) of the hospitals concerned, and to what extent will these be affected by the concentration project (e.g. bed occupancy, length of stay, turnaround times, incidents, patient satisfaction)?
4. What are the main underlying reasons for the proposed concentration, and to what extent will such operation improve/maintain the range and quality of care services being offered (volume effects, expertise, equipment, personnel, organization, etc.), also in comparison with a network cooperation?
5. Will the proposed concentration increase revenues and/or reduce operating costs, at what level and to what extent (procurement, equipment, resources, etc.)?

6. Will the proposed concentration facilitate the recruitment of medical and paramedical staff and the organization of care?
7. Will the proposed concentration modify the organization of sites/care units/beds, at what level and to what extent?
8. Does the proposed concentration present a risk of an increase in unregulated rates/charges (for single rooms, fee surcharges, specific treatments, ancillary services, etc.)?
9. Does the proposed concentration present a significant risk of delay in consultation or hospitalization (scheduled) times and/or travel times for patients in the relevant care area?
10. Does the proposed concentration present a risk of worsening employment conditions for medical and paramedical staff (lack of employer/alternative place of practice in the relevant area, increase in fee retrocession rates, etc.)?

The scope of the Belgian Competition Authority's control is likely to vary according to the particularities of each operation. Nevertheless, the review is carried out on the basis of a consistent methodology applied systematically in collaboration with the hospitals concerned. Similarly, the standard notification form can be adapted to the specificities of the hospital sector and the examination of the relevant issues, as mentioned above.

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)