

PRESS RELEASE

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The Belgian Competition Authority conditionally approves the merger between Ziekenhuis Netwerk Antwerpen and Ziekenhuis GasthuisZusters Antwerpen

On 1 July 2024, the Belgian Competition Authority (“BCA”) approved the merger between the hospital Ziekenhuis Netwerk Antwerpen vzw (“ZNA”) and the hospital GasthuisZusters Antwerpen (“GZA”), which will continue to operate jointly under the name “Ziekenhuis aan de Stroom” (“ZAS”), under conditions.

ZNA operates a general hospital that is currently the largest in Belgium. Its activities are spread over seven campuses in the province of Antwerp. In addition, ZNA has an outpatient clinic and a medical center where minor traumatology can be treated, both located in the province of Antwerp. GZA also operates a general hospital. The hospital has three campuses and one outpatient clinic in the province of Antwerp.

Given the respective and combined turnover of ZNA and GZA, the merger was subject to prior review by the BCA. The BCA developed a specific analytical framework for the hospital sector (in line with press release no. 44/2023 of 18 October 2023) and applied it in this case, taking into account the particularities of the merger in question. The assessment also took into account the relevant legal framework, in close collaboration with the competent sectoral authorities and all the relevant stakeholders, as well as the fact that most of the hospitals' activities are already subject to regulation. However, some aspects remain unregulated and are also subject to market forces and competition. That is therefore where the focus of the analysis in the BCA's approval decision lies.

The merger between the two hospitals was thoroughly examined in light of its potential impact on the markets for hospitalisations and for specialised ambulatory care, with a focus on (i) unregulated prices (namely fee supplements – both on the market for hospitalisations and for specialised ambulatory care – and the supplements for single rooms), (ii) quality and (iii) accessibility of care.

While no serious doubts were raised for quality and accessibility, the investigation did lead to the conclusion that there were serious doubts as to the admissibility of the proposed transaction as regards some (unregulated) prices. Specifically, the BCA's analysis revealed that the merger entailed risks of seeing a reduction of competitive pressure which may lead to higher (maximum) levels of fee and room supplements. Risks were also identified for possible (tacit) coordination on the levels of fee and room supplements between the main hospitals in the Antwerp region. These serious doubts were brought to the attention of ZNA and GZA which subsequently offered commitments to remedy the likely anti-competitive effects of their merger. Following a market test, these commitments were deemed sufficient by the BCA to remove the competition concerns.

The commitments contain several measures aimed at ensuring that ZAS retains the necessary incentives to continue providing patients with the best possible healthcare at the best possible conditions. These include guarantees as to future (maximum) levels of fee and room supplements, as well as a general guarantee on the part of ZNA and GZA to ensure ZAS' autonomy from other hospitals and compliance with competition law.

The duration of the commitments was set at three to five years. An annual report allows the BCA to monitor compliance with the commitments and the effects of the merger.

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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)