

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**



In the Matter of)
)
PROMEDICA HEALTH SYSTEM, INC.)
)
a corporation.)

Docket No. 9346

**RESPONDENT PROMEDICA HEALTH SYSTEM, INC.'S RESPONSE TO
COMPLAINT COUNSEL'S REQUESTS FOR ADMISSION**

Respondent ProMedica Health System, Inc. ("ProMedica"), pursuant to the Subpart D of the Rules of Practice for Adjudicative Proceedings, 16 C.F.R. § 3.32, hereby serves its objections and responses to Complaint Counsel's Request for Admission.

The following objections and responses are made solely for the purpose of this action and are based upon information and documents presently within ProMedica's, or St. Luke's Hospital's ("St. Luke's"),¹ custody, possession, or control, and no incidental or implied admissions are intended. ProMedica's responses are made with the express reservation of all rights pursuant to the Commission's Rules of Practice to supplement and/or amend these responses or otherwise to present evidence later discovered or the significance of which is learned subsequent to March 10, 2011. The fact that ProMedica has not answered or objected to any request, or part of a request, is not an admission that ProMedica accepts or admits the existence of any facts or documents set forth in or assumed by that request. All statements or inferences not explicitly admitted are denied. ProMedica is not waiving any objection as to the relevance of the information provided or the admissibility of that information at trial or otherwise. The fact that ProMedica has responded to any request for admission is not intended

¹ Unless otherwise noted, all references to ProMedica incorporate St. Luke's.

and shall not be construed as a waiver by ProMedica of all or any part of any objection to any request for admission.

General Objections and Objections to Definitions and Instructions

1. ProMedica objects to Complaint Counsel's Requests for Admission, including its Instructions, to the extent that they seek to impose obligations or requirements on ProMedica beyond those contained in the Commission's Rules of Practice. ProMedica will respond to Complaint Counsel's Requests for Admission consistent with these rules.
2. ProMedica objects to Complaint Counsel's Requests for Admission to the extent that they purport to require disclosure of information that is protected from discovery by the attorney-client privilege, work-product doctrine, or any other privilege, doctrine, or immunity. Nothing contained in these responses is intended or may be construed as a waiver of the attorney-client privilege, the work-product doctrine, or any other privilege, doctrine, or immunity.
3. ProMedica objects to the definition of "Direct costs" as vague and ambiguous because it directs ProMedica to use the meaning "Direct costs" has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of "Direct costs" as vague and because it is not the definition ProMedica uses in the normal course of business.
4. ProMedica objects to the definition of "Direct fixed costs" as vague and ambiguous because it directs ProMedica to use the meaning "Direct fixed costs" has in the ordinary course of business but then instructs ProMedica to remove some of these

costs. ProMedica further objects to the Alternative Definition of "Direct fixed costs" as vague and because it is not the definition ProMedica uses in the normal course of business. In addition, ProMedica objects that the term "fixed costs" is vague and undefined as it is used in the normal course of business.

5. ProMedica objects to the definition of "Direct variable costs" as vague and ambiguous because it directs ProMedica to use the meaning "Direct variable costs" has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of "Direct variable costs" as vague and because it is not the definition ProMedica uses in the normal course of business. In addition, ProMedica objects that the term "fixed costs" is vague and undefined as it is used in the normal course of business.
6. ProMedica objects to the definition of "Fixed costs" as vague and ambiguous because it directs ProMedica to use the meaning "Fixed costs" has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of "Fixed costs" as vague and because it is not the definition ProMedica uses in the normal course of business.
7. ProMedica objects to the definition of "Indirect costs" as vague and ambiguous because it directs ProMedica to use the meaning "Indirect costs" has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of "Indirect costs" as vague and because it is not the definition ProMedica uses in the normal course of business.

8. ProMedica objects to the definition of “Indirect fixed costs” as vague and ambiguous because it directs ProMedica to use the meaning “Indirect fixed costs” has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of “Indirect fixed costs” as vague and because it is not the definition ProMedica uses in the normal course of business. In addition, ProMedica objects that the term “fixed costs” is vague and undefined as it is used in the normal course of business.
9. ProMedica objects to the definition of “Indirect variable costs” as vague and ambiguous because it directs ProMedica to use the meaning “Indirect variable costs” has in the ordinary course of business but then instructs ProMedica to remove some of these costs. ProMedica further objects to the Alternative Definition of “Indirect variable costs” as vague and because it is not the definition ProMedica uses in the normal course of business. In addition, ProMedica objects that the term “variable costs” is vague and undefined as it is used in the normal course of business.
10. ProMedica objects to the definition of “Variable costs” as vague and ambiguous because it is the same definition as provided for “Fixed costs.”
11. ProMedica objects to the definition of “hospital” because it purports to exclude those service providers who do not provide services listed in the definition of “relevant services,” such a tertiary or quaternary services.
12. ProMedica objects to the definition of “minimum viable scale” as not relevant to these Requests for Admission.

13. ProMedica objects to the definition of "Priority Custodians" as not relevant to these Requests for Admission.
14. ProMedica objects to the definition of "relevant service" to the extent it suggests that obstetric services is a separate service from the cluster of general acute care services.

Each of the foregoing General Objections and Objections to Complaint Counsel's Instructions and Definitions are incorporated by reference into the following specific answers. Subject to the foregoing, ProMedica responds as follows:

Specific Objections and Responses to Requests for Admission

1. Admit that GAC services sold to commercial health plans constitute a relevant product market in which to evaluate the effects of the Acquisition.

RESPONSE: ProMedica objects to this Request because "GAC services" is not defined. Subject to and without waiving its specific and general objections, ProMedica admits that general acute care inpatient services sold to commercial health plans constitutes a valid service market.

2. Admit that the GAC services exclude services that St. Luke's currently does not perform, such as most complex tertiary and quaternary services.

RESPONSE: ProMedica objects to this Request because "GAC services" is not defined. Subject to and without waiving its specific and general objections, ProMedica admits that St. Luke's currently does not perform complex tertiary and quaternary services.

ProMedica otherwise denies this Request.

3. Admit that the GAC services market excludes outpatient services, that is, services that do not require an overnight stay in the hospital.

RESPONSE: ProMedica objects to this Request because “GAC services” is not defined. Subject to and without waiving its specific and general objections, ProMedica admits that general acute care inpatient services does not include outpatient services defined as those services that do not require an overnight stay in the hospital.

4. Admit that no other hospital services are reasonably interchangeable with inpatient OB services.

RESPONSE: ProMedica objects to this Request because the term “inpatient OB services” is undefined, vague and ambiguous as inpatient OB services could include services with a range of complexity, which are not specified in this Request. ProMedica also objects to the phrase “no other hospital services” as vague and overbroad as hospitals offer a variety of services, which may or may not be interchangeable. Subject to and without waiving its specific and general objections, ProMedica admits that inpatient OB services includes services such as obstetrics, newborn, neonatology and gynecology, and states that patients seeking these types of services might not consider other services sufficient to meet their needs.

ProMedica otherwise denies this Request.

5. Admit that ProMedica and St. Luke’s review and analyze market shares and other data separately for inpatient OB services versus GAC services.

RESPONSE: ProMedica objects to the terms “market shares” and “other data” as vague and undefined. ProMedica further objects that “GAC services” is not defined. Subject to and without waiving its specific and general objections, ProMedica admits that it, and St. Luke’s, analyze a variety of data for many different service lines both as a group and as separate service lines, including OB. ProMedica otherwise denies this Request.

6. Admit that ProMedica and St. Luke’s have at times conducted separate negotiations with commercial health plans for inpatient OB services, apart from GAC services, and have also negotiated separate rates for these services.

RESPONSE: ProMedica objects to this Request as vague and overbroad as it does not define “at times,” the phrase “separate negotiations,” or “GAC services.” ProMedica also objects to this Request as compound. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

7. Admit that Lucas County constitutes a relevant geographic market for the purposes of analyzing the likely effects of the Acquisition in the GAC services market.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request as it applies to general acute care inpatient services.

8. Admit that within Lucas County, the two remaining competitors to ProMedica for GAC services after the Acquisition are UTMC and Mercy.

RESPONSE: ProMedica objects to this Request because “GAC services” is not defined. Subject to and without waiving its specific and general objections, ProMedica admits that UTMC and Mercy are located in Lucas County and, like ProMedica, offer general acute care inpatient services. ProMedica further states that hospitals outside Lucas County, including Wood County Hospital and Fulton County Hospital provide general acute care inpatient services to residents of Lucas County.

9. Admit that Lucas County constitutes a relevant geographic market for the purposes of analyzing the likely effects of the Acquisition in the OB services market.

RESPONSE: ProMedica objects to this Request the extent that it presumes a separate product market for OB services. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

10. Admit that the sole remaining competitor to ProMedica within Lucas County for OB services following the Acquisition is Mercy.

RESPONSE: ProMedica objects to this Request to the extent that it presumes a relevant market of OB services in Lucas County. Subject to and without waiving its specific and general objections, ProMedica admits that following the Acquisition, Mercy is the only other health system located in Lucas County that provides simple and complex OB services, but states that Wood County Hospital also provides OB services to residents of Lucas County.

11. Admit that St. Luke's viewed a possible affiliation with UTMC as good for the community.

RESPONSE: ProMedica objects to this Request because it asks for St. Luke's "state of mind" regarding what constitutes "good for the community." ProMedica also objects that the phrase "good for the community" is vague, ambiguous and subjective. Subject to and without waiving its specific and general objections, ProMedica admits that any St. Luke's affiliation with any potential partner, including UTMC, would have brought certain benefits to patients in the metropolitan Toledo area.

12. Admit that St. Luke's expected that the affiliation between St. Luke's and UTMC would have led to efficiencies, including EMR and back-office efficiencies.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits that any St. Luke's affiliation with any potential partner, including UTMC, may have led to certain efficiencies, but states that St. Luke's discussions with UTMC did not proceed to the due diligence stage, where any such potential efficiencies could have been identified and estimated in detail.

13. Admit that it was St. Luke's, not UTMC, that terminated affiliation discussions between the two entities.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits that the St. Luke's Board of Directors determined that joining with UTMC was not in the best

interest of the hospital or the community and terminated those affiliation discussions, but further states that St. Luke's was free to discuss other partnering opportunities with UTMC to improve access to education programs that would benefit the community.

14. Admit that, in at least the last ten years, no commercial health plan has offered a product with a hospital network consisting of only UTMC and Mercy.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request.

15. Admit that ProMedica has no current plans to develop the Arrowhead property purchased in 2000, nor any other property in southwestern Lucas County, into a general acute-care hospital.

RESPONSE: Subject to and without waiving its general objections, ProMedica denies this Request.

16. Admit that ProMedica has not budgeted any money for the construction of a new general acute-care hospital in southwestern Lucas County, and that the construction of a new general acute-care hospital had not been included at the time of the Acquisition in any ProMedica strategic plans through at least 2012.

RESPONSE: ProMedica objects to this Request as compound. ProMedica further objects that the terms "budgeted" and "strategic plans" are undefined. Subject to and without waiving its specific and general objections, ProMedica admits that due to the joinder with St. Luke's, it does not anticipate using a portion of its budget to build a new general acute-care hospital on the Arrowhead property.

17. Admit that ProMedica at the time of the Acquisition had no budget allocation or funding dedicated for the construction of a new bed tower at Flower Hospital.

RESPONSE: ProMedica objects to this Request as compound. ProMedica further objects that the terms "budget allocation" and "dedicated" are undefined. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

18. Admit that there has been no new entrant into the GAC services market in Lucas County in at least three decades.

RESPONSE: ProMedica objects to this Request as overly broad in asking for information for the past 30 years and failing to define the term “new entrant,” which is vague and ambiguous. ProMedica further objects that the term “GAC services” is undefined. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

19. Admit that, as of 2010, building a hospital in Lucas County with 300 or more licensed beds would take over two years and cost at least \$350 million.

RESPONSE: ProMedica objects to this Request to the extent it asks ProMedica to estimate what it would cost any other entity to build a hospital. In addition, ProMedica objects to this Request as vague in that it does not specify whether the entity building the hospital owns the land or whether the hospital would be new or an addition to an existing hospital, nor does the Request specify what is included in “cost.” Subject to and without waiving its specific and general objections, ProMedica admits that building a new hospital, assuming the entity already owns the land upon which the hospital will be built, could cost millions of dollars, depending on a variety of factors that are unspecified in the Request. ProMedica states that, after a reasonable inquiry, it lacks sufficient information to admit or deny this Request.

20. Admit that hospitals in Lucas County compete on the basis of clinical quality, amenities, and overall patient experience, in addition to other factors.

RESPONSE: ProMedica objects to this Request as vague, ambiguous and overbroad as to the phrase “in addition to other factors.” Subject to and without waiving its specific and general objections, ProMedica admits that clinical quality, amenities, cost, location, visibility,

physician location and patient experience are some of the many dimensions upon which hospitals seek to attract patients and payors.

21. Admit that hospital competition within Lucas County has led to increased quality of care.

RESPONSE: ProMedica objects to this Request as vague as to the phrase “increase quality of care” because it does not specify how or from whose perspective an increase in quality should be measured. Subject to and without waiving its specific and general objections, ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

22. Admit that hospital competition within Lucas County has led to the addition of new service offerings and other non-financial benefits for the residents of Lucas County.

RESPONSE: ProMedica objects to this Request as vague as to the phrase “other non-financial benefits.” Subject to and without waiving its specific and general objections, ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

23. Admit that Lucas County hospitals compete for inclusion in commercial health plan networks.

RESPONSE: ProMedica objects to this Request as vague and overbroad to the extent it assumes that all hospitals in Lucas County desire to be included in all commercial health plans. Subject to and without waiving its specific and general objections, ProMedica admits that it seeks to have its hospitals included in a commercial health plan’s network if the reimbursement rate, number of covered lives, and other terms of the proposed contract are mutually acceptable to ProMedica and the health plan. ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny the remainder of this Request.

24. Admit that, once included in a health plan's network, Lucas County hospitals compete with other in-network hospitals to attract business from health plan members.

RESPONSE: ProMedica objects to this Request to the extent it asks for information on the internal decisions of non-ProMedica hospitals, which is not within the scope of ProMedica's knowledge. Subject to and without waiving its specific and general objections, ProMedica admits that whether or not its hospitals are included in a health plan's network, ProMedica seeks to attract patients to its hospitals, but otherwise denies this Request.

25. Admit that a commercial health plan's bargaining position in negotiations with hospitals or hospital systems is based, in part, on the patient volume the health plan can offer to a hospital or hospital system.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request.

26. Admit that a hospital's or hospital system's bargaining position in negotiations with commercial health plans is based, in part, on how difficult it would be for a health plan to market an insurance product that did not include that hospital or hospital system in its network.

RESPONSE: ProMedica objects to this Request to extent it asks for information on a health plan's perspective on the difficulty of marketing their products, which is not within the scope of ProMedica's knowledge. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

27. Admit that business decisions made on behalf of Paramount have involved an evaluation of the decision's likely impact on ProMedica's hospitals, and vice versa.

RESPONSE: ProMedica objects to this Request as vague and overbroad to the extent it asks about the impact of all business decisions made on behalf of Paramount. In addition, ProMedica objects to this Request because it assumes that any business decision made on behalf of Paramount or ProMedica hospitals has an impact on the other. Subject to and

without waiving its specific and general objections, ProMedica admits that some, but not all, business decisions made on behalf of Paramount or ProMedica hospitals may have an impact on the other and if a business decision was to have an impact, an evaluation of that impact may, or may not, be performed. ProMedica otherwise denies this Request.

28. Admit that when ProMedica and a third-party health plan fail to reach an agreement such that ProMedica no longer participates in the health plan's network, that Paramount's network becomes more attractive relative to the other health plan's network.

RESPONSE: ProMedica objects to this Request as it asks for an opinion of individuals not associated with ProMedica as to whether Paramount is more or less attractive as a health plan, which is outside the scope of ProMedica's knowledge. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

29. Admit that St. Luke's will be able to negotiate and receive higher reimbursement rates from health plans as a part of ProMedica's system versus as an independent hospital.

RESPONSE: ProMedica objects to this Request because it calls for speculation. Subject to and without waiving its specific and general objections, ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

30. Admit that ProMedica's Board of Directors has never advised ProMedica on proposed or target reimbursement rates to seek from commercial health plans.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request.

31. Admit that, to the best of ProMedica's knowledge, ProMedica's rates charged to commercial health plans for GAC services are the highest in Lucas County.

RESPONSE: ProMedica objects to this Request as vague and overbroad as it requests information related to every commercial health plan in Lucas County without specification and

does not distinguish between rates different ProMedica hospitals may be paid by a health plan or a specific health plan's product. Subject to and without waiving its specific and general objections, ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

32. Admit that, currently, no contract between ProMedica and a health plan in Lucas County provides a basis for the health plan to direct or give financial incentives to health plan members to utilize certain hospitals based on cost or quality considerations.

RESPONSE: ProMedica objects to this Request as compound. ProMedica further objects to the undefined term "financial incentives." Subject to and without waiving its specific and general objections, ProMedica denies this Request.

33. Admit that, currently, no contract between ProMedica and a health plan in Lucas County, except for Medical Mutual of Ohio, allows the health plan to lower in-network benefit coverage for services received at ProMedica's hospitals, as compared to other in-network hospital services providers.

RESPONSE: ProMedica objects to this Request as vague as to the phrase "lower in-network benefit coverage" and object to the undefined terms "services." ProMedica further objects to this Request as compound. Subject to and without waiving its specific and general objections, ProMedica denies this Request.

34. Admit that ProMedica intends to raise commercial health plan rates for GAC services performed at St. Luke's.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits that it has negotiated with health plans, and will continue to negotiate with health plans, a reimbursement rate for St. Luke's that will be based on [REDACTED]. ProMedica otherwise denies this Request.

35. Admit that a rate increase by Paramount to its members is paid directly and immediately by self-insured customers of its plan.

RESPONSE: ProMedica objects to this Request because the term “rate increase” is undefined. Subject to and without waiving its specific and general objections, ProMedica admits that if the reimbursement rate Paramount pays to a hospital changes, that change ultimately is passed on to the self-insured customer because self-insured customers pay their own claims, using the Paramount network to benefit from the rates Paramount negotiates with hospitals. ProMedica further admits that any reimbursement rate change affects self-insured customers on the effective date of the new contract between Paramount and a hospital, which is negotiated months in advance. ProMedica otherwise denies this Request.

36. Admit that a rate increase by Paramount to its members is paid in part and/or in full by fully-insured customers of its plan.

RESPONSE: ProMedica objects to this Request because the term “rate increase” is undefined. Subject to and without waiving its specific and general objections, ProMedica states that a rate increase by Paramount does not affect a fully-insured customer unless and until Paramount re-negotiates the fully-insured customer’s contract premiums. ProMedica otherwise denies this Request.

37. Admit that both before and after the Acquisition, ProMedica’s GAC services market share was the highest of all hospital competitors in Lucas County, whether calculated by revenues, patient days, admissions, discharges, registered beds, or staffed beds.

RESPONSE: ProMedica objects to this Request as compound. Subject to and without waiving its specific and general objections, ProMedica admits that as calculated by registered beds, beds-in-use, or occupancy, ProMedica’s market share is higher than other, non-ProMedica hospitals in Lucas County. ProMedica states that, upon reasonable inquiry, it lacks sufficient information to admit or deny this Request.

38. Admit that rates paid to Lucas County hospitals by commercial health plans are based, in part, on competition among Lucas County hospitals.

RESPONSE: ProMedica objects to this Request to the extent it asks for information that is confidential to health plans and non-ProMedica hospitals, which is outside the scope of ProMedica's knowledge. ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

39. Admit that in contracts with certain health plans in the last five years, ProMedica attempted to include provisions that explicitly offered discounted rates conditional on the health plan's agreement not to include St. Luke's in the plan's provider network.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request solely in relation to its contract with [REDACTED] ProMedica otherwise denies this Request.

40. Admit that prior to the consummation of the Acquisition, St. Luke's considered ProMedica its closest competitor for GAC services and OB services.

RESPONSE: Subject to and without waiving its general objections, ProMedica states that St. Luke's considered ProMedica, Mercy, UTMC, Wood County Hospital, and Fulton County Hospital to be competitors. ProMedica otherwise denies this Request.

41. Admit that prior to the consummation of the Acquisition, ProMedica considered St. Luke's a close competitor for GAC services and OB services.

RESPONSE: Subject to and without waiving its general objections, ProMedica admits that it considered St. Luke's to be a competitor, but otherwise denies this Request.

42. Admit that, at the time of the Acquisition, St. Luke's was not a "failing firm" as defined under the Horizontal Merger Guidelines and U.S. Supreme Court precedent.

RESPONSE: ProMedica objects to this Request to the extent it seeks a legal conclusion. Subject to and without waiving its specific and general objections, ProMedica admits this Request.

43. Admit that, prior to the Acquisition, one or more commercial health plans in Lucas County expressed a willingness to increase reimbursement rates for services performed at St. Luke's.

RESPONSE: ProMedica objects to this Request to the extent it asks for the "state of mind" of a health plan. In addition, ProMedica objects to this Request as vague as to the term "willingness" and does not define "services." Subject to and without waiving its specific and general objections, ProMedica states that, after reasonable inquiry, it lacks sufficient information to admit or deny this Request.

44. Admit that, had it remained an independent hospital rather than enter into the Acquisition, St. Luke's was not in danger of failing or exiting the market before 2014, at the earliest.

RESPONSE: ProMedica objects to this Request as compound. ProMedica further objects to the undefined term "failing." Subject to and without waiving its specific and general objections, ProMedica denies this Request.

45. Admit that St. Luke's "pension liability," as it appears on the balance sheet of its financial statements, is not the Adjusted Funding Target Attainment Percentage ("AFTAP").

RESPONSE: Subject to and without waiving its general objections, ProMedica admits this Request.

46. Admit that the primary benefit of a favorable credit-agency rating is to minimize borrowing costs.

RESPONSE: ProMedica objects to this Request because the terms "primary benefit," "favorable," and "minimize" as vague and ambiguous. ProMedica further objects that the "credit-agency" to which this Request may refer are not specified. Subject to and without waiving its specific and general objections, ProMedica admits that the higher the rating from a

credit ratings agency, the easier and less expensive it is for an entity to borrow money, all else equal. ProMedica otherwise denies this Request.

47. Admit that St. Luke's has never missed or been delinquent on any payments relating to the bonds that it had outstanding as of August 31, 2010.

RESPONSE: ProMedica objects to this Request as compound. ProMedica further objects to this Request for being vague and ambiguous because it does not specify the outstanding "bonds" to which it refers or define the meaning of "delinquent." Subject to and without waiving its specific and general objections, ProMedica admits that St. Luke's has not missed a payment on its Series 2004 bonds to the City of Maumee.

48. Admit that St. Luke's had sufficient cash and investments on-hand on August 31, 2010, to defease completely all of its outstanding debt.

RESPONSE: ProMedica objects to this Request because it is vague and ambiguous as to the term "sufficient" and because it does not define the meaning of "on-hand." ProMedica further objects to this Request because it does not specify the "outstanding debt" to which it refers. In addition, ProMedica objects that the Request is vague as to the term "defease completely." Subject to and without waiving its specific and general objections, ProMedica admits that with the cash and investments St. Luke's had on its financial statement, it could have paid off all of its outstanding debt. ProMedica otherwise denies this Request.

49. Admit that St. Luke's reimbursement rates as of August 31, 2010, from commercial health plans were sufficient to cover the direct costs associated with providing care to commercial health plans' members.

RESPONSE: ProMedica objects to this Request because it is vague and ambiguous as to the term "sufficient." ProMedica further objects to the definition of "direct costs" as it does not accurately reflect those items St. Luke's includes in its calculation of direct costs.

Moreover, ProMedica objects to this Request as vague because it does not specify the health

plans to which it is referring. Subject to and without waiving its specific and general objections, ProMedica denies this Request.


50. Admit that by September 1, 2012, ProMedica will have approved or will have had the right to approve two-thirds of the members of St. Luke's Board of Directors.

RESPONSE: ProMedica objects to this Request as compound. Subject to and without waiving its specific and general objections, ProMedica admits that ProMedica will have the right to approve two-thirds of the members of St. Luke's Board of Directors by September 1, 2012, which approval cannot be unreasonably withheld.

CERTIFICATION

Pursuant to 28 U.S.C. § 1746, I hereby certify under penalty of perjury that this response to the Requests for Admission has been prepared by me or under my personal supervision from records of ProMedica Health System, Inc., and is complete and correct to the best of my knowledge and belief.

Where copies rather than original documents have been submitted, the copies are true, correct, and complete copies of the original documents. If Complaint Counsel uses such copies in any court or administrative proceeding, ProMedica Health System, Inc., will not object based upon Complaint Counsel not offering the original document.



(Signature of Official)

Chief Financial & Strategic
Planning/Development Officer
ProMedica Health System

(Title/Company)

Kathleen Hanley

(Typed Name of Above Official)

419-469-3832

(Office Telephone)


CERTIFICATE OF SERVICE

I, Carrie Amezcua, hereby certify that I served a true and correct copy of the foregoing Respondent's Response to Complaint Counsel's Requests for Admission, Public Version, upon the following individuals by hand on March 10, 2011.

Donald S. Clark
Secretary
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room 172
Washington, DC 20580

I, Carrie Amezcua, hereby certify that I served a true and correct copy of the foregoing Respondent's Response to Complaint Counsel's Requests for Admission, Public Version, upon the following individuals by electronic mail on March 10, 2011.

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Jeanne H. Liu
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Carrie Amezcua