

SPANISH COMPETITION

Highlights ...

Weekly follow-up: 15 - 19 Apr.

The CNMC authorises in first phase with commitments the acquisition by Hospitales Cosaga (Recoletas Group) of Centro Médico El Carmen

The transaction affects the provision of healthcare services in Orense, where Hospitales Cosaga will be the only operator after the transaction. In this regard, and following a market test conducted by the CNMC, it was identified that the acquisition could entail certain risks:

- i. The quality of services would be deteriorated (in some cases, this could involve the reduction of specialities and specialists).
- ii. The increase in prices.
- iii. The difficulties that competitors might have in accessing in-patient facilities.

As determined by the CNMC, the aforementioned risks could affect (i) the market of private provision of healthcare to private patients (in and out-patient services); (ii) the market of private provision of healthcare to public referrals (in and out-patient services); and (iii) the market of renting or leasing of in-patient facilities.

Commitments adopted by Hospitales Cosaga

During the authorization process Hospitales Cosaga submitted a series of commitments which, after examination by the CNMC, have been considered sufficient to remedy the above competition risks. These commitments are aimed to: (i) quality assurance in healthcare services; (ii) price monitoring and, lastly; (iii) avoid the risk of market closure guaranteeing the rental of facilities.

The delimitation of markets in private healthcare services

As the CNMC has established on previous occasions, the provision of private healthcare services has different characteristics from public healthcare services and is, therefore, considered a separate product market.

Likewise, private healthcare services can be segmented in two different markets:

- i. healthcare services of free choice.
- ii. healthcare services contracted by civil servant mutual insurance companies.