

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS:     **Jon Leibowitz, Chairman**  
                          **William E. Kovacic**  
                          **J. Thomas Rosch**  
                          **Edith Ramirez**  
                          **Julie Brill**

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**In the Matter of** )  
                          ) )  
                          ) )  
                  **Alan B. Miller,** )  
                  **a natural person;** ) )  
                          ) )  
                  **Universal Health Services, Inc.,** )  
                  **a corporation;** ) )  
                          ) )  
                  **and** ) )  
                          ) )  
                  **Psychiatric Solutions, Inc.,** )  
                  **a corporation.** ) )  
                          ) )  
                          ) )

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**Docket No. C-4309**

2. Respondent UHS is controlled by Respondent Alan B. Miller and is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its offices and principal place of business located at 367 South Gulph Road, PO Box 61588, King of Prussia, PA 19406-0958. UHS is, among other things, engaged in the sale and provision of acute inpatient psychiatric services.

3. UHS owns or operates 25 general acute care hospitals and 102 behavioral health facilities located in 32 states, Washington, D.C., and Puerto Rico. UHS's revenues from all operations totaled approximately \$5.2 billion in 2009. UHS's 102 behavioral health facilities generated approximately \$1.3 billion in revenue (25% of total revenues) from nearly 8,000 licensed beds and over 2 million patient days.

4. Respondent PSI operates 94 inpatient behavioral health facilities in 32 states, Puerto Rico, and the U.S. Virgin Islands. The company also manages behavioral health programs for 109 general acute care hospitals owned by third parties. PSI's revenue for the twelve months ending December 31, 2009 was approximately \$1.8 billion. Behavioral health facilities and residential treatment centers generated 93% of PSI's 2009 revenues; the contract management business accounted for the remaining 7%.

## II. JURISDICTION

5. Respondent Alan B. Miller is and at all times relevant herein has been, engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12, and Section 4 of the FTC Act, 15 U.S.C. § 44.

6. Respondent UHS is and at all times relevant herein has been, engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12, and Section 4 of the FTC Act, 15 U.S.C. § 44.

7. Respondent PSI is and at all times relevant herein has been, engaged in commerce, or in activities affecting commerce, within the meaning of Section 1 of the Clayton Act, 15 U.S.C. § 12, and Section 4 of the FTC Act, 15 U.S.C. § 44.

## III. THE PROPOSED ACQUISITION

8. Pursuant to an Agreement and Plan of Merger dated May 16, 2010, UHS proposes to acquire PSI. Pursuant to the Agreement and Plan of Merger, UHS will acquire all of the outstanding shares of PSI. The Agreement and Plan of Merger also provides for the merger of UHS and PSI into a new entity, UHS/PSI, which will be a Delaware corporation. UHS/PSI will be owned 50% by UHS and 50% by PSI. UHS/PSI will be a public company and will be listed on the New York Stock Exchange. UHS/PSI will be a holding company and will not be engaged in any business other than the management and operation of UHS and PSI. UHS/PSI will be a successor to UHS and PSI for all purposes of the law. UHS/PSI will be a successor to UHS and PSI for all purposes of the law. UHS/PSI will be a successor to UHS and PSI for all purposes of the law.

#### **IV. THE RELEVANT PRODUCT MARKET**

10. The relevant line of commerce in which to analyze the Acquisition is the provision and sale of acute inpatient psychiatric services, meaning inpatient psychiatric services for the diagnosis, treatment, and care of patients deemed, due to an acute psychiatric condition,

services facility, as well as the need to satisfy regulatory and licensing requirements that govern such services.

### **VIII. EFFECTS OF THE ACQUISITION**

18. The Acquisition, if consummated, may substantially lessen competition for acute inpatient psychiatric services in the three geographic markets, identified in Paragraph 9, in the following ways, among others:

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