FTC Sues Anesthesia Group and Its Private Equity Backers for Anticompetitive Practices



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On September 21, 2023, the Federal Trade Commission (FTC) sued U.S. Anesthesia Partners, Inc. (USAP) and its private equity owner, Welsh, Carson, Anderson & Stowe (Welsh Carson), alleging the two engaged in an anticompetitive scheme to monopolize the Texas anesthesiology market.

The complaint details that over the course of a decade, USAP and Welsh Carson engaged in a three part strategy to eliminate competition and generate profits. First, USAP and Welsh Carson executed a roll-up scheme where they would consolidate small, competing anesthesiology practices in Texas, resulting in USAP becoming the dominant anesthesia provider in the market. Second, USAP and Welsh Carson increased Texas anesthesia prices through price setting agreements with the remaining independent anesthesia practices. Third, USAP eliminated a significant competitor by entering into an agreement where that competitor would refrain from providing services in USAP's territory. The FTC estimates that this strategy has cost Texans "tens of millions of dollars" more each year for anesthesia services than before USAP was created in 2012. The FTC alleges that USAP and Welsh Carson's conduct amounts to: unlawful monopolization, unlawful acquisitions, a conspiracy to monopolize, unfair methods of competition, and unlawful restraints of trade in violation of the FTC Act (15 U.S.C. § 53(b)) and the Clayton Act (15 U.S.C. § 18).

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For more information, contact:
Keith Roberts | 973.364.5201 | kroberts@bracheichler.com
Shannon Carroll | 973.403.3126 | scarroll@bracheichler.com

Emily J. Harris | 973.364.5205 | eharris@bracheichler.com

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