

Saint Peter's Healthcare System and Atlantic Health System Announce Strategic Integration

Healthcare Law Update

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On January 31, 2024, Saint Peter's Healthcare System (Saint Peter's) [announced](#) that it entered into a Letter of Intent with Atlantic Health System to create a strategic partnership to fully integrate the two health care systems. Under the terms of the Letter of Intent, Atlantic Health System will invest significantly in Saint Peter's and its service area, helping St. Peter's evolve into a comprehensive healthcare system serving central New Jersey communities. Atlantic Health System and St. Peter's would work together to create synergies between the two healthcare systems, including transitioning Saint Peter's to Atlantic Health System's electronic medical record system. The systems would also expand their existing relationship in the Healthcare Transformation Consortium, aimed at providing more accessible health insurance to employees statewide. Saint Peter's would continue to carry on its Catholic mission and abide by the Ethical and Religious Directives for Catholic Health Care Services.

For years, St. Peter's has been looking to form a strategic partnership with a larger hospital system. Saint Peter's had previously entered into a definitive agreement to merge with RWJBarnabas Health System, but that merger failed due to opposition from the Federal Trade Commission, which alleged that a merger between St. Peter's and RWJBarnabas Health System would reduce competition in Middlesex County, a claim that was subsequently upheld by a federal judge. If consummated, the strategic partnership would greatly expand Atlantic Health System's reach and impact in New Jersey.

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