Department of Justice

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AT
(202) 616-2771

DEPARTMENT OF JUSTICE WILL NOT CHALLENGE ALABAMA HEALTH CARE DEMONSTRATION PROJECT

WASHINGTON, D.C. -- Businesses and health care providers in the Birmingham, Alabama area received approval today from the Department of Justice's Antitrust Division to develop a demonstration project to evaluate certain health care services provided by hospitals in their area.

This collaboration will promote efficiency and effectiveness and could lower costs to consumers, the Department said in a business review letter signed by Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

Today's action is part of the Administration's effort to encourage innovative arrangements between purchasers of medical services and health care providers to improve health care delivery at a reasonable cost, the Department said.

The Cooperative Clinical Benchmarking Demonstration Project was initiated by the Alabama Healthcare Council, which represents businesses that provide health care benefits to employees and the

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Alabama Hospital Association. Twenty-four Alabama businesses and 10 Birmingham-area hospitals will participate in the project.

The project calls for the hospitals to submit data about the clinical effectiveness and cost of three types of health care services: obstetrical delivery, pneumonia and acute myocardial infarction. The information will be collected by an independent corporation and evaluated to provide purchasers and the hospitals comparisons of the cost, effectiveness and efficiency of the participating hospitals.

Averaged patient outcomes and costs for each hospital will be compared with Birmingham averages, national averages, and national "benchmark" averages. National "benchmark" hospitals are the leaders in a particular category.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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