



Department of Justice

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The Department of Justice today filed a civil antitrust suit charging a nursing home association in Montana with conspiring to raise the price of nursing home services paid under the state's Medicaid program.

Attorney General Benjamin R. Civiletti said that the suit, which charged a violation of Section 1 of the Sherman Act, was filed in U.S. District Court in Butte, Montana.

Named as defendant was the Montana Nursing Home Association, Inc., which has approximately 70 member nursing homes representing more than two-thirds of all nursing home beds in the state.

The complaint alleges that the Association and its members conspired to raise the price of nursing home services in Montana paid under Medicaid.

As part of the conspiracy, it is alleged that the Association and its co-conspirators jointly refused, and encouraged others jointly to refuse, to enter into contracts with the Montana Department of Social and Rehabilitative Services, except on terms agreed on by the Association and its members. It is also alleged that the Association and its attorneys acted as the bargaining agent for Association member nursing homes to negotiate Medicaid contracts with the state.

Donald L. Flexner, Acting Assistant Attorney General in charge of the Antitrust Division, said the complaint alleges that the Association's activities have increased prices paid under Medicaid for nursing home services and eliminated competition among nursing

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homes with respect to the terms and conditions on which they contract to care for Medicaid recipients.

The suit asks that the Association be enjoined from continuing or renewing the alleged conspiracy and from entering into any similar agreement.

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