



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, AUGUST 25, 1983

AT
202-633-2007

The Department of Justice announced today that it filed a civil antitrust suit against the North Dakota Hospital Association of Grand Forks, North Dakota, and fourteen operators of hospitals in North Dakota.

Attorney General William French Smith said that the suit, which alleged a violation of Section 1 of the Sherman Act, was filed in the U.S. District Court in Fargo, North Dakota.

The association is a trade organization for the hospital and nursing home industries in North Dakota. Approximately 54 North Dakota hospitals are members.

The hospital operators named as defendants are:

- The Bismarck Hospital Association of Bismarck, North Dakota;
- Dakota Medical Foundation, Fargo;
- Garrison Memorial Hospital, Garrison, North Dakota;
- McKenzie County Memorial Hospital Foundation, Watford City, North Dakota;
- Mercy Hospital of Devils Lake, Devils Lake, North Dakota;
- The Mercy Hospital of Williston, Williston, North Dakota;
- Rolla Community Hospital, Rolla, North Dakota;
- St. Alexius Medical Center, Bismarck;
- St. John's Hospital, Fargo;

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- St. Joseph's Hospital of Dickinson, Dickinson, North Dakota;
- St. Joseph's Hospital Corporation, Minot, North Dakota;
- St. Luke's Hospital Association, Fargo;
- Trinity Medical Center, Minot; and
- United Hospital, Grand Forks.

William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, said the complaint alleged that from about August 1982 and continuing to the present, the defendants and co-conspirators engaged in an unlawful combination and conspiracy to reduce or eliminate price and other forms of competition among themselves by jointly refusing to lower the level of charges billed to the Indian Health Service (IHS) for medical and surgical services and products provided to American Indians.

IHS is a bureau of the Health Resources and Services Administration within the U.S. Department of Health and Human Services. IHS furnishes funds to pay for medical and surgical services and products provided to American Indians. IHS payments for such services and products to hospitals in North Dakota were approximately \$2.5 million in 1982.

In August 1982, IHS requested hospitals in North Dakota and other states to negotiate contracts that would have set the level of charges billed to IHS at rates lower than the hospitals' usual

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private rates. Baxter said the defendants and co-conspirators engaged in the unlawful combination and conspiracy after learning of IHS's request to negotiate discounted rates.

The lawsuit seeks a court order enjoining the defendants' unlawful activities, as well as recovery of damages incurred by the United States as a result of the defendants' actions.

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