



# Department of Justice

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## JUSTICE DEPARTMENT ISSUES BUSINESS REVIEW LETTER

WASHINGTON, D.C. -- The Department of Justice today announced it does not intend to challenge under the antitrust laws a proposal by Hyatt, Imler, Ott & Bount, P.C. (HIOB), an Atlanta, Georgia, public accounting firm, to collect and publish certain information on list prices for services provided by Georgia hospitals.

The Department's position was stated in a business review letter from Charles A. James, Acting Assistant Attorney General in charge of the Antitrust Division, to counsel for HIOB.

Under the proposal, HIOB annually would collect from hospitals in the state their list prices for each of 500 to 750 hospital services. HIOB would then publish reports showing, for "peer groups" of comparable hospitals, the high, low and average price of each service. In its request HIOB said it believed hospitals would find such information useful in assessing market conditions for these services.

James' letter said the Department would be concerned if the effect of the program would be to facilitate expressed or tacit collusion among competing hospitals. The letter noted, however, that the proposal contained some safeguards against that

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possibility. The prices of individual hospitals, for example, will not be disclosed, and the peer groups will be designed so that such prices cannot be inferred. The information also will be historical, not prospective, and discounts from the list prices will not be reported.

The letter noted that contracts between hospitals and third-party payers, such as insurance companies, usually do not incorporate these list prices, which number more than 6,000, but instead use other forms of prices, such as per diem rates.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the division will challenge the activity 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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