



Department of Justice

FOR IMMEDIATE RELEASE
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(202) 514-2007
TDD (202) 514-1888

**DES MOINES HOSPITAL ASSOCIATION AND 5 IOWA HOSPITALS CHARGED
WITH RESTRICTING ADVERTISING OF HOSPITAL SERVICES**

WASHINGTON, D.C. -- The Department of Justice filed a civil antitrust suit charging the Hospital Association of Greater Des Moines and five of its member hospitals with entering agreements to restrict advertising of hospital services. At the same time, the parties filed a proposed consent decree that would settle the suit.

The complaint was filed yesterday in U.S. District Court in Des Moines, Iowa, against Broadlawns Medical Center; Des Moines General Hospital Company; Iowa Lutheran Hospital; Iowa Methodist Medical Center; Mercy Hospital Medical Center, Des Moines, Iowa; and the Hospital Association of Greater Des Moines. The five hospitals operate general, acute-care facilities in Des Moines.

Charles A. James, Acting Assistant Attorney General in charge of the Antitrust Division, said, "Competition for hospital services is reduced when information about the price, quality, and range of services offered by competing hospitals is eliminated or restricted. By ensuring that each hospital will independently determine its policy with respect to advertising, this case will aid consumers in obtaining quality services at reasonable prices."

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The complaint alleged that the six defendants adopted guidelines on advertising under which each hospital agreed to limit the dollar amount it would spend on advertising. In addition, the guidelines contained an agreement to refrain from using certain types of advertising that would have informed the public about the quality of services provided by the hospitals.

Specifically, the hospitals agreed not to include in their advertisements quality comparisons or claims that would be considered image building or self-aggrandizement.

The decree prohibits the defendants from following the guidelines on advertising or from entering into any future agreement or plan about the types of or amounts of advertising they will use. Each defendant also is required to establish an antitrust compliance program which must include an annual briefing of all officers, directors and management employees on the meaning of the consent decree and on the antitrust laws.

The proposed consent decree is open for public comment for 60 days.

Interested person may address comments to Robert E. Bloch, Chief, Professions and Intellectual Property Section, Antitrust Division, U.S. Department of Justice, 555 Fourth Street, N.W., Washington, D.C. 20001.

If the consent decree is approved by the court after the required 60-day comment period, it would terminate the suit. The

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court would retain jurisdiction to construe, modify and enforce the judgment.

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