



Department of Justice

FOR IMMEDIATE RELEASE
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**DEPARTMENT OF JUSTICE WILL NOT CHALLENGE
DES MOINES AREA HEALTH CARE NETWORK**

WASHINGTON, D.C. -- The Justice Department today cleared the way for the Des Moines General Hospital and 177 physicians in south-central Iowa to offer a health care plan to business-owners seeking new ways to cover their workers' medical needs.

The hospital and physician services network, to be called the Collaborative Provider Organization Inc. (CPO), would provide service over a 25-county area.

The proposal will provide an additional alternative health care delivery system and could increase competition and lower health care costs for consumers, said Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, in a business review letter.

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 CPO will contract with payers at capitated, or per

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subscriber rates, or on the basis of discounted fee-for-service rates. For those physicians compensated on a fee-for-service basis, the CPO will withhold 20 percent of their compensation, distributing it to them only if they meet certain cost containment and utilization goals.

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 3235, 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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