



Department of Justice

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JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL TO FORM HOSPICE NETWORK IN NEW JERSEY

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division said today that it would allow a group of New Jersey hospice care providers to form a network that will act as an intermediary for the solicitation and management of managed care contracts between its members and third party payers.

The proposed network, to be called Hospice Network of New Jersey Inc., will initially represent seven Medicare certified hospice care providers. A representative from the network would act as an independent agent to provide a list of prices for members' hospice care services to third party payers such as employers and managed care plans.

Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division, said that the network's proposed activities are not likely to be anticompetitive because the members of the network each operate in a distinct geographic area and are not competitors.

The Department said that the network should provide efficiency benefits by permitting third party payers to contract with a group of hospice care providers through a single representative. The network may also result in efficiency benefits from utilization review and quality assurance monitoring.

The Department's position was stated in a business review letter from Bingaman to counsel for the network.

The letter explained that should network members expand their services geographically in the future so that they become competitors in local markets, decisions about competitively sensitive matters will have to be made unilaterally or will have to be related to significant economic integration among the members.

The seven initial members of the Hospice Network, all located in New Jersey, are:

- Cumberland County Hospice Inc. of Vineland
- Samaritan Hospice Inc. of Moorestown
- Hunterdon Hospice Inc. of Flemington

- Center for Hope Hospice Inc. of Linden
- Hospice of Morris County Inc. of Morristown
- Valley Home Care Inc. of Ridgewood (Valley Hospice)
- The Hospice Inc. of Glen Ridge

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 215 North, Liberty Place, 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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