



Department of Justice

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JUSTICE DEPARTMENT REQUIRES MOUNTAIN HEALTH CARE TO DISBAND

Settlement Ends Agreement Between Physician Network and Member Physicians to Set Fees

WASHINGTON, D.C. -- The Department of Justice announced today that it will require Mountain Health Care, an independent physicians organization headquartered in Asheville, North Carolina, to cease its operations and dissolve. The Department said that under its settlement, Mountain Health Care will cease negotiating and contracting with health care plans on behalf of its participating physicians, a practice which resulted in consumers paying increased prices to Mountain Health Care's physician members for health care services.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Western North Carolina. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"The Antitrust Division is committed to ensuring that consumers buying health care services receive the benefits of competition," said Constance K. Robinson, Director of Operations in the Department's Antitrust Division. "This settlement ensures that the agreement used to raise the costs of health care to consumers in North Carolina is eliminated."

According to the Complaint, Mountain Health Care restrained price and other forms of competition among physicians in Western North Carolina by adopting a uniform fee schedule governing the prices of its participating physicians. Physicians and physician groups that normally would have competed with each other adopted a uniform price schedule and authorized

Mountain Health Care to negotiate with health plans on their behalf. Mountain Health Care agreed to contracts with managed care purchasers that incorporated the collectively set fees. These actions resulted in higher rates charged to health plans leading to higher health costs for ultimate consumers.

The Complaint further states that Mountain Health Care has not clinically or financially integrated its physicians to create efficiencies sufficient to outweigh the alleged anticompetitive actions.

The proposed Final Judgment will be published by the Federal Register, along with the Department's Competitive Impact Statement, as required by the Antitrust Procedures and Penalties Act. Any person may submit written comments concerning the proposed consent decree within 60 days of its publication to Mark J. Botti, Chief; Litigation I; Antitrust Division; United States Department of Justice; 1401 H Street., N.W.; Room 4000; Washington, D.C. 20530 (Tel.: (202) 307-0001). At the conclusion of the 60-day comment period, the Court may enter the proposed consent decree upon a finding that it serves the public interest.

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