



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, DECEMBER 5, 1994

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**EIGHT LONG ISLAND HOSPITALS AGREE TO STOP
PREVENTING DISCOUNTS ON HOSPITAL SERVICES**

WASHINGTON, D.C. -- The Department of Justice today accused eight Long Island, N.Y., hospitals of setting up an organization to jointly resist cost-cutting efforts by health maintenance organizations and managed care plans. The lawsuit was filed in U.S. District Court in Brooklyn, New York, along with a proposed settlement between the hospital and the government which would resolve the matter, if approved by the court.

The eight hospitals are North Shore University Hospital, North Shore University Hospital at Glen Cove, Brookhaven Memorial Hospital Medical Center, Central Suffolk Hospital, Good Samaritan Hospital, Huntington Hospital, John T. Mather Memorial Hospital and South Nassau Communities Hospital.

The Justice Department's Antitrust Division said the hospitals formed an organization, Classic Care Network, Inc. in 1991 when HMOs in Long Island began approaching individual hospitals to obtain discounts. Classic Care acted as the hospitals' exclusive bargaining agent. Among other things, the

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