Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

JUSTICE DEPARTMENT APPROVES PROPOSAL TO FORM PHYSICIAN NETWORK JOINT VENTURE IN MEMPHIS, TENNESSEE AREA

WASHINGTON, D.C. -- Two Memphis, Tennessee, health care organizations will be allowed to form a network that will offer primary care and specialist physician services to self-insured employers and third-party payers in the Memphis area under a proposal approved today by the Department of Justice's Antitrust Division.

The Department said that the proposed network by Mid-South Physician Alliance Inc. and the Mid-South Health Plan will benefit consumers by offering an alternative to existing health care delivery systems.

The Department's position was stated in a business review letter from Assistant Attorney General Anne K. Bingaman, in charge of the Antitrust Division, to counsel for the Mid-South Physician Alliance and the Mid-South Health Plan.

The Alliance will provide physician services in exchange for either a payment for each patient covered or compensation under a fee-for-service schedule with at least 20 percent of the fees due each physician held back for a "risk pool." This money will be

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distributed to participating physicians only if the panel of doctors as a group meets established efficiency and quality objectives.

The Health Plan will contract with third-party payers much on the same basis.

The Alliance's physician providers will participate in the network on a nonexclusive basis. Additionally, information provided by the parties and third-party payers indicates that the expected concentrations of physicians will not lead to the creation of market power or anticompetitive effects.

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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