

IN THE MATTER OF
MEDICAL STAFF OF DICKINSON COUNTY
MEMORIAL HOSPITAL, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3259. Complaint, July 17, 1989—Decision, July 17, 1989

This consent order prohibits, among other things, 12 doctors, the medical staff and two medical societies of Michigan from combining or conspiring to coerce, intimidate, threaten to boycott or boycott other physicians, hospitals and health care providers. In addition, the order requires the respondent Medical Staff to mail a copy of the complaint and order to certain medical officials.

Appearances

For the Commission: *David Pender and Paul Nolan.*

For the respondents: *Larry J. Saylor, Miller, Canfield, Paddock & Stone, Detroit, Mi.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the Medical Staff of Dickinson County Memorial Hospital ("Medical Staff"), the individuals named ("individual respondents"), the Dickinson-Iron County Medical Society, and the Delta County Medical Society have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating in that respect its charges as follows:

PARAGRAPH 1. Respondent Medical Staff is an unincorporated association, organized and existing under and by virtue of the laws of the State of Michigan, and is located at Dickinson County Memorial Hospital, 400 Woodward Avenue, Iron Mountain, Michigan. The Medical Staff is composed of physicians and other health care practitioners who have privileges to attend patients at Dickinson

County Memorial Hospital. The Medical Staff's physician members constitute almost all of the practicing physicians in Dickinson County.

PAR. 2. Respondent Medical Staff's purposes as expressed in Article II of its by-laws include providing the organizational structure through which the "benefits of membership on the Staff may be obtained by individual practitioners," and providing "a means through which the Medical Staff may participate in the hospital's policy making and planning processes." The Medical Staff's functions include substantial activities that further its members' pecuniary interests. By virtue of its purposes and activities, the Medical Staff is a corporation within the meaning of Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. 44.

PAR. 3. The individual respondents are licensed by the State of Michigan and practice in the Upper Peninsula of Michigan in Dickinson County. Their office addresses are: William A. Belding, M.D., Dickinson County Memorial Hospital (DCMH), 400 Woodward Ave., Iron Mountain, MI.; Robert G. Calderwood, D.M.D., Medical Park Clinic, 1005 South Hemlock Street, Iron Mountain, MI.; John M. Cook, M.D., 1001 Hemlock Street, Iron Mountain, MI.; J. Michael Garrett, M.D., 1301 S. Carpenter Avenue, Iron Mountain, MI.; William R. Gladstone, M.D., 804 Main Street, Norway, MI.; Stephen R. Leonard, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI.; John L. Loewen, M.D., 615 Washington Street, Niagara, WI.; Carl H. Reinighaus, D.O., 441 Florence Ave., Florence, WI.; Gary J. Roberts, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI.; John F. Selden, M.D., 401 N. Boulevard, Kingsford, MI.; Mervin J. Specht, M.D., DCMH, 400 Woodward Ave., Iron Mountain, MI.; and Kirk L. Susott, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI. Except to the extent that competition has been restrained as alleged herein, each of the individual respondents has been and now is in competition with at least some of the other individual respondents, or with other physicians or health care practitioners, in the provision of health care services in or near Dickinson County. The individual respondents are engaged in the business of providing health care services to patients for a fee.

PAR. 4. Respondent Dickinson-Iron County Medical Society is an unincorporated association, organized and existing under and by virtue of the laws of the State of Michigan, and is located at 400 Woodward Avenue, Iron Mountain, Michigan. The Dickinson-Iron County Medical Society is composed of physicians in the private

practice of medicine in Dickinson County and in Iron County, in the Upper Peninsula of Michigan. The Dickinson-Iron County Medical Society's physician members constitute almost all of the practicing physicians in Dickinson County, in Iron County, and on the respondent Medical Staff. The Dickinson-Iron County Medical Society's functions include substantial activities that further its members' pecuniary interests. By virtue of its purposes and activities, the Dickinson-Iron County Medical Society is a corporation within the meaning of Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

PAR. 5. Respondent Delta County Medical Society is an unincorporated association, organized and existing under and by virtue of the laws of the State of Michigan, and is located at Doctors Park, Escanaba, Michigan. The Delta County Medical Society is composed of physicians in the private practice of medicine in Delta County in the Upper Peninsula of Michigan. The Delta County Medical Society's physician members constitute almost all of the practicing physicians in Delta County. The Delta County Medical Society's functions include substantial activities that further its members' pecuniary interests. By virtue of its purposes and activities, the Delta County Medical Society is a corporation within the meaning of Section 4 of the Federal Trade Commission Act, 15 U.S.C. 44.

PAR. 6. The acts and practices of the respondents, including those herein alleged, are in or affect commerce within the meaning of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. 45.

PAR. 7. Dickinson County Hospitals, a non-profit organization, operates two hospitals in Dickinson County—Dickinson County Memorial Hospital, a 110-bed hospital in the city of Iron Mountain, and Anderson Hospital, a 19-bed hospital in the city of Norway. The Veterans' Administration operates the only other hospital in Dickinson County. Residents of the county receive most of their health care services from physicians and other health care practitioners on the respondent Medical Staff, including the individual respondents, and from Dickinson County Memorial Hospital. For diagnosis and treatment using some complex medical procedures, or by physicians who practice specialties not available in Dickinson County, residents of Dickinson County usually travel to physicians and/or hospitals in Green Bay, Wisconsin (approximately 85 miles south of Dickinson County), Marquette, Michigan (approximately 85 miles north of Dickinson County), or Marshfield, Wisconsin (approximately 140 miles southwest of Dickinson County).

PAR. 8. The individual respondents have been on the active medical staff of Dickinson County Memorial Hospital or Anderson Hospital since at least September, 1986. The individual respondents are either general practitioners, specialize in internal medicine or family practice, or practice in other medical, surgical or dental specialties.

PAR. 9. Marquette General Hospital, which is located in the city and county of Marquette, in the Upper Peninsula of Michigan, is a tertiary care hospital that provides specialized diagnostic and treatment services not available at smaller hospitals in the Upper Peninsula of Michigan, such as Dickinson County Memorial Hospital and Anderson Hospital. Marquette General Hospital provides tertiary care services in such areas as cardiac care, oncology, neurological services, neonatal services, and nephrology. Many specialty and subspecialty physicians on Marquette General Hospital's Medical Staff receive a significant number of referrals from physicians in other parts of the Upper Peninsula, because they offer diagnostic and treatment techniques not available locally. Marquette General Hospital, in turn, derives a substantial portion of its revenues as a result of tests and hospital admissions of patients who were referred to physicians on its medical staff by physicians in other parts of the Upper Peninsula.

PAR. 10. On September 3, 1986, Marquette General Hospital announced plans to build a multispecialty medical office in Kingsford, Michigan, the second largest city in Dickinson County. Kingsford borders Iron Mountain, the largest city in the county, and is within several miles of the Wisconsin border. Marquette General Hospital planned to staff the new office with three salaried primary care physicians, to have some specialty and subspecialty physicians visit Dickinson County more frequently, and to offer some specialized physician services and diagnostic tests that were not previously available in Dickinson County. Marquette General Hospital officials believed that their new medical office in Kingsford would provide valuable primary care and specialty services to consumers of health care services in the Dickinson County area and consequently would attract a substantial number of patients to, and enhance the revenues of, Marquette General Hospital. Marquette General Hospital officials believed the new medical office would permit it to compete more effectively with hospitals in Green Bay, Wisconsin, and Marshfield, Wisconsin, for patients in the Dickinson County area.

PAR. 11. The individual respondents and respondent Medical Staff saw as a competitive threat the prospect of increased competition

from both specialty and primary care physicians who would work in Marquette General Hospital's planned office in Dickinson County, including the salaried primary care physicians who would work there. As a result, beginning in September 1986, the individual respondents entered into a combination or conspiracy to coerce, intimidate, threaten to boycott, or boycott Marquette General Hospital and its physicians in order to prevent the proposed new medical office from offering services to consumers in competition with them. In September 1986, respondent Medical Staff and respondent Dickinson-Iron County Medical Society, acting as combinations of their members or in conspiracy with at least some of their members, joined in the conspiracy to suppress competition from Marquette General Hospital's proposed new medical office in Kingsford, Michigan. In November 1986, respondent Delta County Medical Society, acting as a combination of its members or in conspiracy with at least some of its members, joined in the conspiracy. Throughout the course of the conspiracy, respondent Dickinson-Iron County Medical Society provided support to, and advised its physician members of, the actions undertaken in furtherance of the combination or conspiracy to suppress competition from the proposed new medical office.

PAR. 12. In furtherance of the aforesaid combination or conspiracy, and as described in paragraphs thirteen through twenty-one below:

A. The individual respondents, respondent Medical Staff, and respondent Dickinson-Iron County Medical Society, in response to the Marquette General Hospital's plan to establish a medical office in Dickinson County:

1. Threatened to refuse to refer, or refused to refer, patients to specialist physicians practicing at a Marquette General Hospital medical office in Dickinson County;

2. Agreed to refuse to enter into any contractual relationship with, including possible salaried employment in, Marquette General Hospital's medical office in Dickinson County; and

3. Solicited physicians throughout the Upper Peninsula of Michigan to join in a combination or conspiracy to threaten to cease referring, or to cease referring, patients to physicians practicing at Marquette General Hospital.

B. The individual respondents, respondent Medical Staff, respondent Dickinson-Iron County Medical Society, and respondent Delta County Medical Society threatened to cease referring, or ceased to

refer, patients to specialist physicians practicing at Marquette General Hospital.

PAR. 13. On September 4, 1986, respondent Medical Staff and some individual respondents, at an emergency meeting held to discuss the proposed Marquette General Hospital medical office, authorized an Ad-hoc Executive Committee of the Medical Staff to "actively pursue effective counter measures to this move by Marquette," *i.e.*, its plan to open the clinic. Respondent Loewen was named to this committee because he was then president of respondent Dickinson-Iron County Medical Society. This committee, consisting of individual respondents Belding, Calderwood, Cook, Garrett, Gladstone, Leonard, Loewen, Reinighaus, Roberts, and Specht, met on September 8, 1986, and approved the issuance of a press release which stated in part that: (1) the Medical Staff objected to the establishment of the new medical office in Dickinson County, which was not under "local control," and (2) the new medical office "not only brings in specialists unavailable locally, but also competes directly with services and specialties already present in our hospital." Substantial portions of this press release subsequently appeared in the local newspapers.

PAR. 14. On September 13, 1986, respondent Medical Staff met and the physicians and other health care practitioners present, including Dr. Robert Koski and individual respondents Belding, Calderwood, Cook, Garrett, Leonard, Loewen, Reinighaus, Roberts, and Susott, voted unanimously to approve the following commitment and to seek a written commitment to that effect from each Medical Staff member:

We the Medical Staff of DCH, support the right of the individual practitioner to be non-aligned to any specific institution and, therefore, pledge that we will not cooperate or be hired by the Marquette Hospital Clinic or any subsidiary thereof.

One or more members of respondent Medical Staff distributed a typed version of this statement to the members of the Medical Staff, and it was signed by many of them. On September 22, 1986, the Medical Staff approved a second statement expressing opposition to the medical office. This second statement, which was understood by some or all of the individual respondents to have the same meaning and to serve the same purpose as the first statement, read as follows: "I am opposed to Marquette General Hospital placing a clinic in Dickinson County." Shortly thereafter, the second statement was distributed to, and signed by, almost every member of respondent Medical Staff.

PAR. 15. On September 29, 1986, individual respondents Cook, Leonard, and Specht met on behalf of respondent Medical Staff and all individual respondents with physician representatives of the Medical Staff of Marquette General Hospital. At this meeting, these three individual respondents presented the Marquette physicians with a statement, dated September 29, 1986, which (1) expressed the united opposition of respondent Medical Staff and the individual respondents to Marquette General Hospital's plan to open the new medical office in Dickinson County, and (2) stated they would use "whatever means necessary" to prevent the new office from offering services to patients in competition with them. Respondent Specht, relying on the statements of opposition referred to in paragraph fourteen above, signed this letter as "Chief of Staff and Representative of the Forty-two (42) Physicians on the Medical Staff."

PAR. 16. The Tri-County Medical Society and the Delta County Medical Society have physician members who frequently refer patients to physicians on the staff of Marquette General Hospital. A significant number of these patients undergo tests at, or are admitted to, Marquette General Hospital. On or about January, 1986, officers of the Dickinson-Iron County and Delta County Medical Societies discussed "turf protection and it was unanimously voted by all parties concerned that our relationship with Marquette is favorable and we wish to continue this, however all communities absolutely insist on having the freedom to choose a consultant and recent moves by Marquette administration which signify a move towards mandatory consultation will be aggressively opposed by our societies jointly." This action took place because members of the respondent Dickinson-Iron County and Delta County Medical Societies were concerned that physicians who signed such contracts would increase their referrals to specialists at Marquette General Hospital and decrease their referrals to specialists who belonged to the respondent medical societies. On October 7, 1986, Dr. Robert Koski and individual respondent Selden, as representatives of the other individual respondents and respondent Medical Staff, solicited the Tri-County Medical Society in Calumet, Michigan, to join the combination or conspiracy described in paragraphs eleven through fifteen. On October 21, 1986 individual respondents Leonard, Susott, Belding, and Specht, as representatives of the other individual respondents and respondent Medical Staff, and respondent Loewen, as representative of respondent Dickinson-Iron County Medical Society, solicited the Delta County Medical Society in

Escanaba, Michigan, to join the conspiracy described in paragraphs eleven through fifteen.

PAR. 17. After the individual respondents and Dr. Robert Koski solicited the participation of the Tri-County and Delta County Medical Societies as discussed in paragraph sixteen, the Tri-County Medical Society advised its membership to write individual letters personally expressing their opinion to the physicians in Marquette, but took no other action. On November 18, 1986, however, the Delta County Medical Society unanimously approved a letter that stated the society's official position. The Delta County Medical Society sent this letter to the Presidents of both the Dickinson-Iron County and Marquette-Alger Medical Societies. This letter stated that "if the clinic is constructed as proposed, there will be a definite change in the referral patterns of many Delta County physicians and perhaps physicians in other U.P. counties. We feel that this would be unfortunate for all involved." Officials of Marquette General Hospital saw this as a threat to cut referrals to physicians on its medical staff. One purpose of the letter was to put pressure on Marquette General not to open a similar clinic in the Delta County area. The president of the Delta County Medical Society, accompanied by two society members, thereafter spoke at a meeting of the Marquette-Alger Medical Society and told them "they would have to be aware [a number of Delta] physicians would no longer utilize the services of Marquette unless their patient specifically requested it."

PAR. 18. On October 10, 1986, the Medical Staff Ad-hoc Executive Committee, which was empowered to represent and act on behalf of respondent Medical Staff and the individual respondents, sent a letter to many members of the respondent Medical Staff and to most, if not all, of the physicians in the Upper Peninsula, including physicians on the Medical Staff of Marquette General Hospital. The letter included the following statements: (1) that the Medical Staff intended to do "everything in our power" to prevent the Kingsford, Michigan, medical office from opening as planned; (2) that Upper Peninsula physicians should "reevaluate our relationship with Marquette"; and (3) that Marquette physicians were not welcome in Dickinson County "as salaried employees whose purpose in our community will be to direct traffic to" Marquette. Individual respondents Belding, Calderwood, Cook, Garrett, Gladstone, Leonard, Loewen, Reinighaus, Roberts, and Specht signed this letter as the "Ad hoc Executive Committee on behalf of the forty-two physicians of Dickinson County

Hospitals." Officials of Marquette General Hospital perceived these statements as a threat to cut referrals to physicians on its Medical Staff.

PAR. 19. On December 10, 1986, respondent Medical Staff held a special meeting and voted unanimously that they "remain firmly opposed to the Marquette Clinic." The Medical Staff confirmed its opposition in a March 2, 1987, letter from individual respondents Specht, as chief of respondent Medical Staff, and Leonard, as spokesman for respondent Medical Staff, to the chief of the Marquette General Hospital Medical Staff.

PAR. 20. As a result of the actions described in paragraphs eleven through nineteen, Marquette General Hospital opened a medical office in Kingsford that was smaller than its originally proposed medical office building. This medical office did not offer primary care services to consumers as had originally been planned by Marquette General Hospital. On May 11, 1987, as a result of the actions of respondent Medical Staff, the individual respondents, Dr. Robert Koski, respondent Dickinson-Iron County Medical Society, and respondent Delta County Medical Society, as set forth above, Marquette General Hospital suspended action on its plan to offer primary care services at its Kingsford medical office.

PAR. 21. None of the individual respondents contacted by Marquette General Hospital has agreed to work in the Marquette General Hospital medical office, and a number of the individual respondents, unless requested to do so by their patients, continue to refuse to refer patients to physicians who provide specialized services at the Kingsford medical office.

PAR. 22. The purposes or effects or the tendency and capacity of the combination or conspiracy and conduct described in paragraphs eleven through twenty-one are and have been to restrain trade unreasonably in the provision of health care services in or near Dickinson County, Michigan, and deprive consumers of the benefits of competition, in the following ways, among others:

A. Hindering competition among physicians and hospitals in the provision of health care services;

B. Depriving consumers of their ability to choose among a variety of alternative types of health care facilities and primary care and specialty physicians competing on the basis of price, service, and quality;

C. Impairing Marquette General Hospital's efforts to increase

consumer access to primary care and specialty medical services, including services offered by salaried primary care physicians; and

D. Deterring other hospitals or medical clinics from operating medical facilities in competition with the private practice of physicians.

PAR. 23. The combination or conspiracy and the acts and practices described above constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45. The violation, or the effects thereof, as herein alleged, is continuing and will continue in the absence of the relief herein requested.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the proposed respondents, and the proposed respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The proposed respondents, and counsel for the Federal Trade Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all of the jurisdictional facts set forth in the aforesaid complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that the complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to Section 2.34 of its Rules, now in further conformity with the procedures prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Proposed respondent Medical Staff of Dickinson County Memori-

al Hospital ("Medical Staff"), an unincorporated association organized and existing under and by virtue of the laws of the State of Michigan, has its principal place of business at Dickinson County Memorial Hospital, 400 Woodward Avenue, Iron Mountain, Michigan. Proposed respondent Dickinson-Iron County Medical Society is an unincorporated association, organized and existing under and by virtue of the laws of the State of Michigan, and is located at 400 Woodward Avenue, Iron Mountain, Michigan. Proposed respondent Delta County Medical Society is an unincorporated association, organized and existing under and by virtue of the laws of the State of Michigan, and is located at Doctors Park, Escanaba, Michigan. Proposed individual respondents are licensed and do business under and by virtue of the laws of the State of Michigan. Their office addresses are: William A. Belding, M.D., Dickinson County Memorial Hospital (DCMH), 400 Woodward Ave., Iron Mountain, MI.; Robert G. Calderwood, D.M.D., Medical Park Clinic, 1005 South Hemlock Street, Iron Mountain, MI.; John M. Cook, M.D., 1001 Hemlock Street, Iron Mountain, MI.; J. Michael Garrett, M.D., 1301 S. Carpenter Avenue, Iron Mountain, MI.; William R. Gladstone, M.D., 804 Main Street, Norway, MI.; Stephen R. Leonard, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI.; John L. Loewen, M.D., 615 Washington Street, Niagara, WI.; Carl H. Reinighaus, D.O., 441 Florence Ave., Florence, WI.; Gary J. Roberts, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI.; John F. Selden, M.D., 401 N. Boulevard, Kingsford, MI.; Mervin J. Specht, M.D., DCMH, 400 Woodward Ave., Iron Mountain, MI.; and Kirk L. Susott, M.D., Medical Park Clinic, Hemlock Street, Iron Mountain, MI.

2. Proposed individual respondents and proposed respondents Medical Staff, Dickinson-Iron County Medical Society, and Delta County Medical Society admit all of the jurisdictional facts set forth in the draft of complaint here attached.

3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

I.

For the purposes of this order, the following definitions shall apply:

1. "*Medical Staff*" shall mean the Medical Staff of Dickinson County Memorial Hospital, and its successors, assigns, officers, directors, committees, agents, employees, or representatives.

2. "*Upper Peninsula*" shall mean the Michigan counties of Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, and Schoolcraft.

3. "*Individual respondents*" shall mean William A. Belding, M.D.; Robert G. Calderwood, D.M.D.; John M. Cook, M.D.; J. Michael Garrett, M.D.; William R. Gladstone, M.D.; Stephen R. Leonard, M.D.; John L. Loewen, M.D.; Carl H. Reinighaus, D.O.; Gary J. Roberts, M.D.; John F. Selden, M.D.; Mervin J. Specht, M.D.; Kirk L. Susott, M.D.; and their agents, employees, or representatives.

4. "*Dickinson-Iron County Medical Society*" shall mean the Dickinson-Iron County Medical Society, and its successors, assigns, officers, directors, committees, agents, employees, or representatives.

5. "*Delta County Medical Society*" shall mean the Delta County Medical Society, and its successors, assigns, officers, directors, committees, agents, employees, or representatives.

6. "*Integrated joint venture*" means a joint arrangement to provide pre-paid health care services in which physicians who would otherwise be competitors pool their capital to finance the venture, by themselves or together with others, and share substantial risk of adverse financial results caused by unexpectedly high utilization or costs of health care services.

II.

It is ordered, That each individual respondent, respondent Medical Staff, respondent Dickinson-Iron County Medical Society, and respondent Delta County Medical Society, directly or indirectly or through any device, shall henceforth cease and desist from entering into, maintaining, or continuing, or attempting to enter into, maintain, or continue, any agreement or understanding, either express or implied, between or among themselves or with other physicians, health care practitioners, medical societies, hospitals, or medical staffs to:

A. Refuse to deal, threaten to refuse to deal, or attempt to induce others to refuse to deal or threaten to refuse to deal, with any physician, group of physicians, hospital, medical clinic, or other health care provider; and

B. Withhold patient referrals, threaten to withhold patient referrals, or attempt to induce others to withhold patient referrals or threaten to withhold patient referrals, from any physician, group of physicians, hospital, medical clinic, or other health care provider.

III.

A. *It is provided*, That this order shall not be construed to prohibit the respondent Medical Staff or its members from engaging, pursuant to the Medical Staff's by-laws, in credentialing, corrective action, utilization review, quality assurance, peer review, or hospital policy-making at Dickinson County Memorial Hospital, where such conduct by the Medical Staff neither constitutes nor is part of any agreement, combination, or conspiracy, the purpose or effect of which is to impede competition unreasonably.

B. *It is further provided* That this order shall not be construed to prohibit any individual respondent from entering into an agreement or combination with any physician or other health care practitioner with whom the individual respondent practices in partnership or in a professional corporation, or who is employed by the same person as the respondent.

C. *It is further provided*, That this order shall not be construed to prohibit any respondent physician, respondent Medical Staff, respondent Dickinson-Iron County Medical Society, or respondent Delta County Medical Society from forming, facilitating the formation of, or participating in an integrated joint venture that refuses to deal with any person or entity, as long as the physicians participating in the joint venture remain free to deal with any third-party payor other than through the joint venture.

IV.

A. *It is further ordered*, That within thirty (30) days after this order becomes final, the respondent Medical Staff shall mail a copy of this order and the accompanying complaint to: (1) the President and each member of the Board of Trustees of Dickinson County Hospitals, Iron Mountain, Michigan; (2) the President of the Board of Trustees of Marquette General Hospital, Marquette, Michigan; and (3) each physician practicing in the Upper Peninsula of Michigan as of the date of service of this order.

B. *It is further ordered*, That each individual respondent shall, within sixty (60) days after this order becomes final, and at any time the Commission, by written notice, may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which the respondent complied with this order and intends to comply with this order.

C. *It is further ordered*, That respondent Medical Staff, respondent Dickinson-Iron County Medical Society, and respondent Delta County Medical Society shall, within sixty (60) days after this order becomes final, and annually on the anniversary date of the initial report for each of the five years thereafter, and at such other times as the Commission by written notice may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which the respondent complied with this order and intends to comply with this order.

D. *It is further ordered*, That for a period of seven (7) years after this order becomes final each individual respondent: (1) shall promptly notify the Commission of any change in respondent's business address; and (2) shall promptly notify the Commission whenever he or she enters into any new business, employment, or hospital affiliation that involves the provision of medical care. Each such notice shall include the individual respondent's new business address and a statement of the business, employment or hospital affiliation in which the individual respondent is newly engaged as well as a description of the individual respondent's duties and responsibilities in connection with the business or employment. The expiration of the notice provision of this paragraph shall not affect any other obligation arising under this order.

E. *It is further ordered*, That respondent Medical Staff, respondent Dickinson-Iron County Medical Society, and respondent Delta County Medical Society shall promptly notify the Commission of any change in their business addresses or of any proposed change in their organizations that may affect compliance obligations arising out of this order.

IN THE MATTER OF
PANHANDLE EASTERN CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 7 OF
THE CLAYTON ACT AND SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3260. Complaint, July 17, 1989—Decision, July 17, 1989

This consent order allows, among other things, the respondent to acquire Texas Eastern Transmission Corp. The order requires respondent to divest its ownership of Truckline Offshore Co. and, for ten years, to obtain FTC approval before acquiring any natural gas pipelines in the affected offshore area.

Appearances

For the Commission: *Anthony Low Joseph and Ronald B. Rowe.*

For the respondent: *Ky P. Ewing, Jr., Vinson & Elkins, Washington, D.C. and Stuart Meiklejohn, Sullivan & Cromwell, New York City.*

COMPLAINT

The Federal Trade Commission, having reason to believe that respondent Panhandle Eastern Corporation, a corporation subject to the jurisdiction of the Federal Trade Commission, intends to acquire, or has acquired the stock or assets of Texas Eastern Corporation, in violation of Section 7 of the Clayton Act, as amended (15 U.S.C. 18), and Section 5 of the Federal Trade Commission Act, as amended (15 U.S.C. 45), and that a proceeding in respect thereof would be in the public interest, hereby issues its complaint, pursuant to Section 11 of the Clayton Act (15 U.S.C. 21) and Section 5(b) of the Federal Trade Commission Act (15 U.S.C. 45(b)), stating its charges as follows:

I. DEFINITIONS

1. For purposes of this complaint, the following definitions shall apply:

a. "*Panhandle*" means Panhandle Eastern Corporation, its subsidiaries, divisions, groups, affiliate entities, and each of their directors, officers, employees, agents and representatives; and each partnership, joint venture, joint stock company or concession in which Panhandle is a participant.