

State Associations in Connecticut Settle Antitrust Lawsuit

WHILE ADMITTING NO WRONGDOING, THE TWO ORGANIZATIONS AND THEIR ATTORNEY AGREE TO PAY A TOTAL OF \$87,000 IN FINES.

Kathryn Feather

Connecticut Attorney General Richard Blumenthal recently announced a settlement between the state, the Federal Trade Commission (FTC) and the state's two chiropractic organizations - the Connecticut Chiropractic Association (CCA) and the Connecticut Chiropractic Council (CCC).

The two associations and longtime CCA attorney Robert Hirtle were accused of organizing an illegal boycott in response to a plan by Anthem Health Plans, Inc. to form a new network and have their services managed by American Specialty Health Networks, Inc.

According to Blumenthal's office, a joint investigation with the FTC "found that members of both trade groups, spurred on by their leadership, illegally agreed to boycott Anthem Health Plans, Inc.'s intention to form a new network for chiropractic services that would be administered by American Specialty Health Networks, Inc."

Blumenthal's office also stated that, "Hirtle facilitated the conspiracy by aggressively urging chiropractors to opt out of the proposed network." The association's members feared that the ASH contract would lower reimbursement rates for chiropractic services. Blumenthal said the illegal boycott improperly influenced the rates paid to chiropractors; raised chiropractic costs for Anthem; and deprived Anthem, ASH and consumers of the benefits of competition among chiropractors.

"I am sympathetic to the plight of professional health care providers seeking fair compensation from powerful insurance companies, but the law forbids anticompetitive agreements and collusive boycotts," Blumenthal said. "No one can conspire to cripple competition. No matter what the motives, agreements that restrain competition violate antitrust laws. These chiropractic groups and their counsel orchestrated a collective boycott refusing to deal with Anthem unless it was on their terms. The effect of boycotts is to raise prices, which ultimately hit consumers with higher health care costs and premiums. Hardworking professionals were misled by trade groups and misadvised by their attorney, who was hired to help avoid lawbreaking, not enable or encourage."

According to a release by the FTC, "The proposed consent order prohibits the parties from entering into, or facilitating, any agreement among chiropractors: (1) to negotiate with payors on any chiropractor's behalf; (2) to deal, not deal, or threaten not to deal with payors; or (3) on what terms to deal with payors."

"The CCA is pleased to have put this investigation behind us. We're very pleased that the document makes it clear that there's no admission of wrongdoing," said CCA Spokesperson and Immediate Past President Matthew Pagano. "The CCA intends fully to comply with the provisions of the settlement. We are committed to working with the legislature and other state and federal agencies to protect Connecticut chiropractors."

The terms of the settlement stipulate that the CCA will pay a \$50,000 civil penalty, the CCC will pay \$20,000 and Hirtle will pay \$17,000.

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