

House Committee Approves Partial Repeal of Antitrust Exemption for Health Insurers

The Judiciary Committee in the U.S. House of Representatives has approved a bill that would partially repeal a 60-year-old exemption from antitrust law for health insurers. The legislation, [H.R. 3596](#), would authorize the government to prosecute insurers for violations of antitrust law if they are found to be engaged in "price fixing, bid rigging or market allocations." The bill also would partially repeal the antitrust exemption for insurers who write medical malpractice policies for doctors, hospitals and other health providers.

The Senate and House Judiciary Committees have held hearings over the past month on the legislation. [Senate Judiciary](#) Chairman Patrick J. Leahy (D-Vt.) has offered a companion bill, [S. 1681](#). Such a measure eventually could be joined with broader health care overhaul legislation now being written by Democratic leaders.

For many years, insurance and managed care companies have enjoyed an exemption from the application of federal antitrust laws for the "business of insurance." This has led to an even more uneven playing field between these entities and professional associations, as well as the doctors they represent. So, while groups like the ACA are subject to strict antitrust scrutiny in the areas of price fixing or even communications with members on what insurance companies to deal with or not to deal with, the insurance industry has been free to engage in collective price fixing and other anti-competitive activities, all under the rationale of the "business of insurance" exemption.

The current legislative proposal would remove that exemption and permit the application of the antitrust laws to the anti-competitive activities of major insurance entities. In the view of ACA's legislative staff, this could have a far more important impact on the ability of doctors of chiropractic to compete in the health care marketplace than any other measure currently being reviewed by Congress.

Source: American Chiropractic Association