Impact Statement have been distributed and from whom annual written certifications regarding this Final Judgment have been received.

VII

Certifications

- (A) Within 75 days after entry of this Final Judgment, each defendant shall certify to plaintiffs that it has made the distribution of the Final Judgment and Competitive Impact Statement as required by Paragraph VI(A); and
- (B) For 10 years, unless the defendant dissolves without any successors or assigns, after the entry of this Final Judgment, on or before its anniversary date, each defendant shall certify annually to plaintiffs whether it has complied with the provisions of Section VI applicable to it.

VIII

Plaintiffs' Access

For the sole purpose of determining or securing compliance with this Final Judgment, and subject to any recognized privilege, authorized representatives of the United States Department of Justice or the Office of the Attorney General of the State of Connecticut, upon written request of the Assistant Attorney General in charge of the Antitrust Division or the Connecticut Attorney General, respectively, shall on reasonable notice be permitted:

- (A) Access during regular business hours of any defendant to inspect and copy all records and documents in the possession or under the control of that defendant relating to any matters contained in this Final Judgment;
- (B) To interview officers, directors, employees, and agents of any defendant, who may have counsel present, concerning such matters; and
- (C) To obtain written reports from any defendant, under oath if requested, relating to any matters contained in this Final Judgment.

ΙX

Notifications

Each defendant shall notify the plaintiffs at least 30 days prior to any proposed (1) dissolution of that defendant, (2) sale or assignment of claims or assets of that defendant resulting in the emergence of a successor corporation, or (3) change in corporate structure of that defendant that may affect compliance obligations arising out of Section IV of this Final Judgment.

X

Jurisdiction Retained

This Court retains jurisdiction to enable any of the parties to this Final Judgment, but no other person, to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

ΧI

Expiration of Final Judgment

This Final Judgment shall expire ten (10) years from the date of entry.

XI

Public Interest Determination

Entry of this Final Judgment is in the public interest.

United States District Judge

Note: The Danbury Hospital Medical Staff List by Department, Statement of Department of Justice and Federal Trade Commission Enforcement Policy on Providers' Collective Provision of the Related Information to Purchasers of Health Care Services, and Statement of Department of Justice and Federal Trade Commission Enforcement Policy on Provider Participation in Exchanges of Price and Cost Information are attachments to the proposed Final Judgment filed with the Court. A copy of the attachments may be obtained from the Department of Justice, Legal Procedures Unit.

Competitive Impact Statement

Pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)–(h) ("APPA"), the United States files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

Ι

Nature and Purpose of the Proceeding

On September 13, 1995, the United States and the State of Connecticut filed a civil antitrust complaint alleging that defendant HealthCare Partners, Inc. ("HealthCare Partners"), defendant Danbury Area IPA, Inc. ("DAIPA"), and defendant Danbury Health Systems, Inc. ("DHS"), with others not named as defendants, entered into an agreement and took other actions, the purpose and effect of which were, among other things, to restrain competition unreasonably by preventing or delaying the development of managed care in the Danbury, Connecticut area ("Danbury"), to willfully maintain DHS' market

power in acute, inpatient care, and to gain an unfair advantage in markets for outpatient services, in violation of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1, 2. The Complaint seeks injunctive relief to enjoin continuance or recurrence of these violations.

The United States and the State of Connecticut filed with the Complaint a proposed Final Judgment intended to settle this matter. Entry of the proposed Final Judgment by the Court will terminate this action, except that the Court will retain jurisdiction over the matter for further proceedings that may be required to interpret, enforce, or modify the Judgment, or to punish violations of any of its provisions.

Plaintiffs and all defendants have stipulated that the Court may enter the proposed Final Judgment after compliance with the APPA, unless prior to entry plaintiffs have withdrawn their consent. The proposed Final Judgment provides that its entry does not constitute any evidence against, or admission by, any party concerning any issue of fact or law.

The present proceeding is designed to ensure full compliance with the public notice and other requirements of the APPA. In the Stipulation to the proposed Final Judgment, defendants have also agreed to be bound by the provisions of the proposed Final Judgment pending its entry by the Court.

H

Practices Giving Rise To The Alleged Violations

DHS's 450-bed acute care facility, Danbury Hospital, is the sole source of acute inpatient care in the Danbury area. It faces no competition from other general acute care hospitals in the market for these services and, accordingly, possesses a monopoly in general acute inpatient care. The Hospital also provides outpatient surgical care and other services.

By 1992, managed care organizations had recruited a sufficient number of physicians with active staff privileges at Danbury Hospital to offer managed care plans to employers and individuals in the Danbury area. The introduction of managed care plans into the Danbury area reduced the Hospital's market power in inpatient services by decreasing the number of hospital admissions and the length of hospital stays, thereby causing the Hospital to lose significant inpatient volume. Additionally, the introduction of managed care plans resulted in increased competition among doctors and reduced referrals to specialists in