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REPRESENTING  
Internists and  
All Subspecialists  
of Internal Medicine



February 26, 1996

The Honorable Neil Abercrombie  
U.S. House of Representatives  
1233 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Abercrombie:

On behalf of the American Society of Internal Medicine, representing this nation's largest medical specialty, I am seeking your support for the Antitrust Health Care Advancement Act, HR 2925. This measure would modify the law to enable qualified health care provider networks (HCPNs) to compete with other health plans on the basis of price, quality and service without automatically violating antitrust statutes.

HR 2925 would not repeal the antitrust laws as they apply to health care providers. Rather, it would allow conduct now considered per se illegal to be judged on the basis of its reasonableness and whether it reduces or enhances competition. Current antitrust law inhibits the ability of physicians and other providers to form networks to compete with managed care organizations and traditional insurers by designating certain actions--such as exchanging information related to costs or negotiating a fee schedule--as "per se" illegal, or an automatic violation of the law. HR 2925 would allow physicians and other providers to engage in the type of actions typically required in the formation of a business that can compete in the marketplace. The measure would not allow price fixing or boycotts and conduct that is found to be unreasonable and anti-competitive would continue to be illegal.

Allowing HCPNs to compete fully with insurers will give purchasers the opportunity to contract directly with these networks, thus cutting out the insurance middleman and lowering administrative costs. HCPNs are typically based in the communities they serve and are likely to be more responsive to community needs than insurance-run health plans owned and operated by corporations located elsewhere. In short, HCPNs have the potential to offer better service at lower cost than other health plans if they are given the ability to market themselves on a level playing field.

If you have not already done so, ASIM urges you to cosponsor HR 2925 and to promote its passage during this Congress.

Sincerely,

Alan R. Nelson, MD  
Executive Vice President

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