



March 4, 2005

David Pender  
Federal Trade Commission  
Bureau of Competition  
Health Care Services and Products  
601 New Jersey Avenue  
Washington DC, 20001

Dear David Pender,

I am requesting an advisory opinion relating to the applicability of the Non-Profit Institutions Act (NPIA) to sales of pharmaceuticals by Stevens Hospital (Stevens Healthcare) to patients who are under the care of clinic physicians whose practices are owned by Stevens Hospital.

Public Health District No. 2, doing business as Stevens Healthcare is a 217 licensed bed facility with an acute care inpatient pharmacy located in the hospital and a outpatient/retail pharmacy – Hadfields, owned by the district. Our patients come from inside and outside the district and belong to a variety of health plans. Stevens Healthcare is not a HMO or PPO. The public health district also owns four physician practices. The physicians are employed by Stevens Healthcare as well as the staff. All medical services are billed under the Stevens tax ID number. Clinics and staff are covered under the Districts general liability policy. All human resource, payroll, accounts payable, information systems and accounting functions are performed by Stevens departments. Clinic employees are covered under Stevens medical and dental benefit plans.

Currently these pharmaceuticals are used for our hospitalized patients for inpatient needs as well as periodic