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**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

COMMISSIONERS: William E. KovE. K

1. Respondent AllCare is a for-profit corporation, organized, existing, and doing business under and by virtue of the laws of the State of California, with its principal place of business located at 3340 Tully Rd., Suite B-4, Modesto, CA 95350.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondent, and this proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Respondent” means Independent Physician Associates Medical Group, Inc., dba AllCare IPA, its officers, directors, employees, agents, attorneys, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates controlled by it, and the respective officers, directors, employees, agents, attorneys, representatives, successors, and assigns of each.
- B. “Medical Group Practice” means a bona fide, integrated firm in which physicians practice medicine together as partners, shareholders, owners, members, or employees, or in which only one Physician practices medicine.
- C. “Participate” in an entity means (1) to be a partner, shareholder, owner, member, or employee of such entity, or (2) to provide services, agree to provide services, or offer to provide services, to a payor through such entity. This definition also applies to all tenses and forms of the word “participate,” including, but not limited to, “participating,” “participated,” and “participation.”
- D. “Payor” means any Person that pays, or arranges for the payment, for all or any part of any Physician services for itself or for any other Person, as well as any Person that develops, leases, or sells access to networks of Physicians.
- E. “Person” means both natural Persons and artificial Persons, including, but not limited to, corporations, unincorporated entities, and governments.
- F. “Physician” means a doctor of allopathic medicine (“M.D.”) or a doctor of osteopathic medicine (“D.O.”).
- G. “Preexisting Contract” means a contract for the provision of Physician services that was in effect on the date of the receipt by a payor that is a party to such contract of notice sent by Respondent AllCare pursuant to Paragraph V.A.2 of this Order of such payor’s right to terminate such contract.

H. “Principal Address” means either (1) the primary business address, if there ~~business a~~

- K. “Qualified Arrangement” means a Qualified Clinically-integrated Joint Arrangement or a Qualified Risk-sharing Joint Arrangement.

II.

IT IS FURTHER ORDERED that Respondents, directly or indirectly, or through any corporate or other device, in connection with the provision of Physician services in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, cease and desist from:

- A. Entering into, adhering to, Participating in, maintaining, organizing, implementing, enforcing, or otherwise facilitating any combination, conspiracy, agreement, or understanding between or among any Physicians with respect to their provision of Physician services:
1. To negotiate on behalf of any Physician with any Payor;
 2. To deal, refuse to deal, or threaten to refuse to deal with any Payor;
 3. Regarding any term, condition, or requirement upon which any Physician deals, or is willing to deal, with any Payor, including, but not limited to, price terms; or
 4. Not to deal individually with any Payor, or not to deal with any Payor other than through Respondent;
- B. Exchanging or facilitating in any manner the exchange or transfer of information among Physicians concerning any Physician’s willingness to deal with a Payor, or the terms or conditions, including price terms, on which the Physician is willing to deal with a Payor;
- C. Attempting to engage in any action prohibited by Paragraphs II.A or II.B above; and
- D. Encouraging, suggesting, advising, pressuring, inducing, or attempting to induce any Person to engage in any action that would be prohibited by Paragraphs II.A through II.C above.

PROVIDED, HOWEVER, that nothing in this Paragraph II shall prohibit any agreement or conduct involving Respondent that, subject to the requirements of Paragraph IV of this Order, is reasonably necessary to form, Participate in, or take any action in furtherance of, a Qualified Risk-sharing Joint Arrangement or a Qualified Clinically-integrated Joint Arrangement.

III.

IT IS FURTHER ORDERED that, for three (3) years after the date this Order becomes final, for any arrangement under which Respondent would act as an agent, or as a messenger, on

behalf of any Physician or any Medical Group Practice with any Payor regarding contracts, except for those contracts under which Respondent is, or will be, paid on a capitated (

- A. Participating in, organizing, or facilitating any discussion or understanding with or among any Physicians or Medical Group Practices in such Arrangement relating to price terms or conditions of dealing with any Payor; or
- B. Contacting a payor, pursuant to an Arrangement to negotiate or enter into any agreement concerning price or other terms or conditions of dealing with any Payor, on behalf of any Physician or Medical Group Practice in such Arrangement.

PROVIDED FURTHER, Paragraph IV Notification shall include the following information regarding the Arrangement pursuant to which Respondent intends to engage in the above identified conduct:

- a. the total number of Physicians and the number of Physicians in each
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termination date, renewal date (including any automatic renewal date), or the anniversary date of such contract.

PROVIDED, HOWEVER, a Preexisting Contract for Physician services may extend beyond any such termination or renewal date no later than one (1) year from the date that the Order becomes final if, prior to such termination or renewal date:

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2. Annually publish in an official annual report or newsletter sent to all Physicians who Participate in Respondent, a copy of this Order and the Complaint with such prominence as is given to regularly featured articles.
- E. File verified written reports within sixty (60) days from the date this Order becomes final, annually thereafter

B. to interview officers, directors, or employees of

Appendix A

[Respondent's letterhead]

[name of payor's CEO]

[address]

Dear _____:

Enclosed is a copy of a complaint and a consent order ("Order") issued by the Federal Trade Commission against Independent Physician Associates Medical Group, Inc., dba AllCare IPA ("AllCare").

Pursuant to Paragraph V.B of the Order, AllCare must allow you to terminate, upon your written request without any penalty or charge, any contracts with AllCare for the provision of physician services that were in effect prior to your receipt of this letter.

Paragraph V.B of the Order also provides that, if you do not terminate your contract, the contract will terminate at the earlier of [date one year from the date the Order becomes final] or its earliest termination or renewal date (including any automatic renewal date). If the termination or renewal date occurs prior to [date one year from the date the Order becomes final], you may request AllCare to extend that date to a date no later than [date one year from the date
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