

ANALYSIS OF AGREEMENT CONTAINING  
CONSENT ORDER TO AID PUBLIC COMMENT

In the Matter of Keystone Orthopaedic Specialists, LLC  
and Orthopaedic Associates of Reading, Ltd.  
FTC File No. 1410025

I. Overview

The Federal Trade Commission has accepted, subject to final approval, an Agreement  
C greement settles charges that Respondents violated  
of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as  
, 15 U.S.C. § 45.

The Consent Agreement has been placed on the public record for 30 days to receive  
comments from interested persons. Comments received during this period will become part of  
the public record. After 30 days, the Commission will review the Consent Agreement and the  
comments received, and will decide whether it should withdraw from the Consent Agreement  
or make it final.

The purpose of this analysis is to facilitate public comment on the Consent Agreement.  
This analysis is not intended to constitute an official interpretation of the Consent Agreement or  
its terms in any way. Further, the Consent Agreement has been entered into for  
limited purposes only and does not constitute an admission by Respondents that they violated  
the law or that the facts alleged in the Complaint (other than jurisdictional facts) are true.

Background and Market Structure

Seventeen orthopedic practices in Berks County, Pennsylvania, merged to form Keystone in January 2011 (the "Merger"). One of those  
practices is Respondent Orthopaedic Associates and the other five practices are Advanced  
Orthopedics of Reading, Arthritis & Joint Replacement Center of Reading, P.C., Berkshire  
Orthopaedic Associates, Inc., Commonwealth Orthopaedic Associates, Inc., and Reading Neck  
& Shoulder Center, P.C. ("Keystone Component Practices"). The Keystone Component Practices  
are divisions of Keystone after the Merger.

Before the Merger, competition among orthopedists in Berks County was robust. At that  
time, 19 orthopedists in 11 independent practices competed to provide orthopedic physician  
services. The Merger substantially eliminated this competition by combining 19 out of 25, or 76  
percent, of the orthopedists practicing in Berks County into one practice. Only six other  
orthopedists remained as competitors. After the Merger, Keystone orthopedists ceased to do  
business through their respective independent practices and began doing business exclusively  
through Keystone.



In evaluating the remedies the

contract wi