

2. The Merger combined 19 out of 25, or 76 percent, of the orthopedists practicing in Berks County. The Merger has substantially lessened competition for orthopedic physician services in Berks County, Pennsylvania.
3. The Merger eliminated price and non-price competition among the Keystone Component Practices and created a dominant orthopedic practice. Following the Merger, Keystone exercised unilateral market power to raise prices for orthopedic physician services. As a result, most health plans in Berks County

Practices became divisions of Keystone.

10. After the Merger, the Keystone Component Practices no longer competed to provide orthopedic physician services in Berks County, and the Keystone orthopedists ceased doing business through their respective independent practices and began doing business exclusively through Keystone.
11. Three years after the Merger, in 2014, six orthopedists left Keystone and resumed doing business as Orthopaedic Associates.

COMPETITION BETWEEN PHYSICIANS

12. Competition between physicians occurs in two stages. In the first stage, providers compete for selection by health plans as in-network providers. To gain in-network status, a physician engages in negotiations with each health plan and enters into a contract. One of the critical terms that a physician and a health plan agree upon during a negotiation are the prices that the health plan will pay to the physician when the health plan's members obtain care from the physician.
13. Physicians benefit from in-network status by gaining access to the health plans' members as patients. Health plans benefit by negotiating discounted prices and being able to create commercially marketable and appealing provider networks, with geographic coverage and a scope of services sufficient to attract and satisfy a localized group of members, typically employers and their employees. The availability and number of alternative physicians is the

15.

