II. Public Comments

To encourage the submission of public comments on the community support performance of Bank members, on or before April 26, 2002, each Bank will notify its Advisory Council and nonprofit housing developers, community groups, and other interested parties in its district of the members selected for community support review in the 2002–03 first quarter review cycle. 12 CFR 944.2(b)(2)(ii). In reviewing a member for community support compliance, the Finance Board will consider any public comments it has received concerning the member. 12 CFR 944.2(d). To ensure consideration by the Finance Board, comments concerning the community support performance of members selected for the 2002–03 first quarter review cycle must be delivered to the Finance Board on or before the May 31, 2002 deadline for submission of Community Support Statements.


James L. Bothwell,
Managing Director.
[FR Doc. 02–7531 Filed 4–11–02; 8:45 am]
BILLING CODE 6725–01–P

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection in the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at www.ffiec.gov/nic/.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than May 6, 2002.

A. Federal Reserve Bank of Chicago (Philip Jackson, Applications Officer) 230 South LaSalle Street, Chicago, Illinois 60690–1414:


Board of Governors of the Federal Reserve System, April 8, 2002.

Robert dev. Frierson,
Deputy Secretary of the Board.
[FR Doc. 02–8852 Filed 4–11–02; 8:45 am]
BILLING CODE 6210–01–S

FEDERAL TRADE COMMISSION

[File No. 011 0153]
Obstetrics and Gynecology Medical Corporation of Napa Valley, et al.; Analysis To Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before May 6, 2002.

ADDRESSES: Comments filed in paper form should be directed to: FTC/Office of the Secretary, Room 159–H, 600 Pennsylvania Avenue, NW., Washington, DC 20580. Comments filed in electronic form should be directed to: consentagreement@ftc.gov, as prescribed below.


SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46(f), and Section 2.34 of the Commission’s rules of practice, 16 CFR 2.34, notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for April 5, 2002), on the World Wide Web, at “http://www.ftc.gov/os/2002/index.htm.” A paper copy can be obtained from the FTC Public Reference Room, Room 130–H, 600 Pennsylvania Avenue, NW., Washington, DC. 20580, either in person or by calling (202) 326–2222.

Public comments are invited, and may be filed with the Commission in either paper or electronic form. Comments filed in paper form should be directed to: FTC/Office of the Secretary, Room 159–H, 600 Pennsylvania Avenue, NW., Washington, DC. 20580. If a comment contains nonpublic information, it must be filed in paper form, and the first page of the document must be clearly labeled “confidential.” Comments that do not contain any nonpublic information may instead be filed in electronic form (in ASCII format, WordPerfect, or Microsoft Word) as part of or as an attachment to e-mail messages directed to the following e-mail box: consentagreement@ftc.gov. Such comments will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with section 4.9(b)(6)(ii) of the Commission’s rules of practice, 16 CFR 4.9(b)(6)(ii).

Analysis of Agreement Containing Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement with Obstetrics & Gynecology Medical Corp. of Napa Valley and its shareholders (collectively “OGMC” or
“proposed respondents”) containing a proposed consent order. The proposed order settles charges that OGMC violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. 45, by facilitating or implementing agreements among its members to fix prices and other terms of dealing with payors, and to refuse to deal with payors except on collectively-determined terms. The proposed consent order 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 agreement and the comments received, and will decide whether it should withdraw from the agreement or make the proposed order final.

The purpose of this analysis is to facilitate public comment on the proposed order. The analysis is not intended to constitute an official interpretation of the agreement and proposed order, or to modify their terms in any way. Further, the proposed consent order has been entered into for settlement purposes only and does not constitute an admission by the proposed respondents that they violated the law or that the facts alleged in the complaint (other than jurisdictional facts) are true.

The Complaint

The allegations in the Commission’s proposed complaint are summarized below.

Respondent OGMC is a for-profit corporation and a single-specialty independent practice association ("IPA") composed of virtually all of the OB/GYNs with active medical staff privileges at the two general acute care hospitals in Napa County, California. OGMC’s physicians had been members of Napa Valley Physicians (“NVP”), a multispecialty IPA in Napa County. An IPA is a vehicle through which physicians can contract with health plans to provide services to health plan enrollees. At times, physicians who participate in IPAs share the risk of financial loss with other participants if the total costs of services provided to patients exceed the anticipated volume of service. NVP was such a risk-sharing IPA. As is typical of such IPAs, NVP also provided quality assurance and utilization review.

Beginning in 1998, NVP’s OB/GYNs became dissatisfied with the level and timeliness of reimbursement from NVP. The OB/GYNs resigned from NVP, and then in February 2000, formed OGMC to promote, among other things, their collective economic interests by increasing their negotiating power with NVP. Prior to the formation of OGMC, and continuing into 2001, these OB/GYNs agreed among themselves to refuse to contract individually with NVP or any health plan. During this time, the OB/GYNs also agreed on the fees they would charge, and to boycott NVP to coerce it to meet their fee demands. As a consequence of the proposed respondents’ conduct, NVP did not have sufficient OB/GYNs to serve adequately the HMO enrollees under NVP’s HMO contracts. NVP ceased doing business in early 2001, and some health plans discontinued providing HMO coverage in Napa County.

OGMC did not engage in any activity that might justify collective agreements on the prices its members would accept for their services. For example, the OB/GYNs have not clinically or financially integrated their practices to create efficiencies sufficient to justify their acts and practices. The proposed respondents’ actions have restrained price and other forms of competition among OB/GYNs in Napa County, California, and thereby harmed consumers (including health plans, employers, and individual consumers) by increasing the prices for physician services.

The Proposed Consent Order

The proposed order is designed to prevent recurrence of the illegal concerted actions alleged in the complaint, while allowing the OB/GYNs to engage in legitimate joint conduct. The core prohibitions of the proposed order are contained in Paragraph II. Paragraph II.A prohibits the proposed respondents from entering into, participating, or facilitating: (1) Any agreement to negotiate on behalf of any physicians with any payor or provider; (2) any agreement to deal or refuse to deal with any payor or provider; or (3) any agreement regarding any term on which any physicians deal, or are willing to deal, with any payor or provider.

Paragraph II.B prohibits the proposed respondents from attempting to engage in a violation of Paragraph II.A. Paragraph II.C prohibits them from encouraging, suggesting, advising, pressuring, inducing, or attempting to induce any person to engage in any action that would be prohibited if the person were subject to the order.

A proviso to Paragraph II allows the proposed respondents to engage in conduct (including collectively determining reimbursement and other terms of contracts) that is reasonably necessary to operate any “qualified risk-sharing joint arrangement” or “qualified clinically-integrated joint arrangement.” As defined in the proposed order, a “qualified risk-sharing joint arrangement” must satisfy two conditions. First, all physician participants must share substantial financial risk through the arrangement. (The definition of financial risk-sharing tracks the discussion of that term contained in the 1996 FTC/DOJ Statements of Antitrust Enforcement Policy in Health Care.) Second, any agreement on prices or terms of reimbursement must be reasonably necessary to obtain significant efficiencies through the joint arrangement.

A “qualified clinically-integrated joint arrangement” is defined as one in which the physicians undertake cooperative activities to achieve efficiencies in the delivery of clinical services, without necessarily sharing substantial financial risk. (This definition also reflects the analysis contained in the 1996 FTC/DOJ Statements of Antitrust Enforcement Policy in Health Care.) Under this analysis, participating physicians must establish a high degree of interdependence and cooperation through their use of programs to evaluate and modify their clinical practice patterns, in order to control costs and assure the quality of physician services provided. In addition, any agreement on prices or terms of reimbursement must be reasonably necessary to obtain significant efficiencies through the joint arrangement.

Paragraph III of the proposed order requires OGMC to dissolve. The remaining provisions of the proposed order impose obligations on the proposed respondents with respect to facilitating OGMC’s dissolution; distributing the order and complaint to specified persons; and reporting information to the Commission. The order terminates 20 years after it issues.

By direction of the Commission.

Donald S. Clark.

Secretary.