



Department of Justice

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**JUSTICE DEPARTMENT CLEARS PROPOSAL BY GROUP OF
PHYSICIANS IN EL PASO, TEXAS, TO FORM A JOINT VENTURE**

WASHINGTON, D.C. -- The Department of Justice today has cleared the way for a group of doctors to form a joint venture and expand their services to health plans and other payers. The Department's Antitrust Division said it would not challenge a proposal by a group of ophthalmologists in the El Paso, Texas, area to join together to offer their services as a group to third-party payers.

The Department granted business review clearance in a letter from Charles A. James, Assistant Attorney General of the Antitrust Division, to counsel for RGEA. The letter indicated that the proposed operations of the Rio Grande Eye Associates (REGA) are not likely to substantially lessen competition in ophthalmologic services in the El Paso area.

Under RGEA's proposal, eight ophthalmologists in the El Paso area would operate a joint venture that will negotiate risk contracts with health plans and other third-party payers. The proposed venture would also provide utilization review, and administrative services that RGEA claims will benefit third-party payers and their subscribers.

The proposed operations appear to fall within the Antitrust Safety Zone for non-exclusive physician joint ventures set forth in the *Statements of Antitrust Enforcement Policy in Health Care*, issued jointly by the Department and the Federal Trade Commission in August 1996.

The joint venture will include less than 30 percent of the ophthalmologists in the El Paso

area. RGEA may decide in the future to include a ninth member, in which case the percentage will rise to just 31 percent. In no event, however, will RGEA's membership exceed nine ophthalmologists.

The Department's letter stated that third-party payers interviewed expressed no concern about RGEA's operations as proposed.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215 Liberty Place, 325 7th Street, NW, Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure.

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