October 28, 2013

Attorney General Kathleen G. Kane reaches accord with Geisinger to ensure regional access to quality and affordable health care

HARRISBURG - Attorney General Kathleen G. Kane today announced that her office has reached an agreement with Geisinger Health System Foundation over antitrust concerns that the acquisition of Lewistown Hospital and its employed physician group may have substantially lessened or eliminated competition in the region.

"Access and price are most important to consumers when it comes to health care," said Attorney General Kane. "Consumers want to be able to see their physicians and obtain quality hospital services locally, regardless of what insurance card they carry in their wallet. They also want reasonable prices for health care services."

Attorney General Kane said that a final order was filed that reflects Geisinger's agreement to preserve health care competition in the region, ensuring good faith negotiations with health plans and maintaining high quality and affordable health care services for the community. She thanked Geisinger for its cooperation with this important community health issue.

Geisinger is the non-profit parent of five hospitals, including Geisinger Medical Center in Danville, Montour County; Geisinger Clinic, a multi-specialty physician group practice with more than 1,000 primary and specialty care physicians; and Geisinger Health Plan.

A review of the merger raised concerns about pricing and competition for residents of Mifflin and Juniata counties. The Office of Attorney General and Geisinger worked constructively to alleviate those concerns, and agreed to the following terms in an eight-year-agreement to ensure regional access to quality and affordable health care:

- There will be no arbitrary price increases for hospital and physician services.
- Lewistown Hospital will continue to be operated as an acute care hospital for at least eight years.
- Lewistown's employed primary care physicians can leave Geisinger's employ up to two years after the merger with no restrictions for continuing to practice in Mifflin and Juniata Counties.
- Health plan contracts for Lewistown Hospital and its employed physician group will be maintained for the remainder of their terms. Future contracts will be negotiated in good faith within a range paid to similar hospitals and physicians.
- Geisinger will continue its established practice of not prohibiting health plans from offering health care products, known as "tiered products," in which health plans offer products to consumers with different
tiers of providers based on cost and/or quality. Such tiered products enable consumers to choose their health care services based on the cost and quality of the provider.

The Commonwealth's case was handled by Executive Deputy Attorney General James A. Donahue III, Chief Deputy Attorney General Tracy W. Wertz and Senior Deputy Attorney General Jennifer A. Thomson.

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