

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. _____

STATE OF MAINE,)
)
Plaintiff,)
)
v.)
)
ALLIANCE FOR HEALTHCARE,)
INC., a Maine corporation)
with offices in Portland,)
Cumberland County, Maine;)
KENNEBEC VALLEY HEALTH PLAN,)
INC., a Maine corporation)
with offices in Augusta,)
Kennebec County, Maine;)
MID-MAINE HEALTH PARTNERS,)
INC., a Maine corporation)
with offices in Waterville,)
Kennebec County, Maine; and)
MID-MAINE HEALTH PROFESSIONALS)
INC., a Maine corporation)
with offices in Waterville,)
Kennebec County, Maine,)
)
Defendants.)

CONSENT DECREE OF
KENNEBEC VALLEY
HEALTH PLAN, INC.

Plaintiff, State of Maine, having filed its Complaint on February 15, 1991, and Plaintiff and Defendant having consented to the entry of this Consent Decree without trial or adjudication of any issue of fact or law herein and without this Decree constituting any evidence against, or an admission by, any party with respect to such issue; now, therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ordered and decreed as follows:

I. DEFINITIONS

A. "KVHP" means Kennebec Valley Health Plan, Inc. and its members, board of directors, committees, officers,

representatives, agents, employees, consultants, successors, assigns, and any other persons acting for it or under its control, to the extent that any of the aforementioned acts for or on behalf of KVHP.

B. "Third-party payer" means any person or entity that reimburses for, purchases, or pays for health care services provided to any other person, and includes, but is not limited to, health insurance companies; prepaid hospital, medical, or other health service plans, such as Blue Shield and Blue Cross plans; health maintenance organizations; preferred provider organizations; government health benefits program; administrators of self-insured health benefits programs; and employers or other entities providing self-insured health benefits programs.

C. "Integrated joint venture" means a joint arrangement to provide pre-paid health care services in which physicians who would otherwise be competitors pool their capital to finance the venture, by themselves or together with others, and share substantial risk of adverse financial results caused by unexpectedly high utilization or costs of health care services.

II. JURISDICTION

This Court has jurisdiction over the State of Maine, KVHP, and the subject matter of this action. Count II of the Complaint states a claim for relief under 10 M.R.S.A. § 1104 (Supp. 1990) and 5 M.R.S.A. § 209 (Supp. 1990).

III. INJUNCTIONS

A. Defendant KVHP is hereby permanently enjoined pursuant to 5 M.R.S.A. § 209 and 10 M.R.S.A. § 1104 from:

1. Entering into, attempting to enter into, organizing, implementing, or continuing any agreement or understanding, express or implied, with any KVHP member or members, to deal with any third-party payer on collectively determined terms;

2. Acting on behalf of any KVHP member or members to negotiate with any third-party payer; and

3. Communicating that KVHP members will refuse to enter into or withdraw from any agreement, actual or proposed, with any third-party payer if any term or condition is not acceptable to KVHP or to KVHP members collectively.

B. It is further ordered that nothing in this Consent Decree shall prevent KVHP from:

1. Forming or becoming an integrated joint venture in dealing with any third-party payer on collectively determined terms in that capacity, as long as the physicians participating in the joint venture remain free to deal with any third-party payer other than through the joint venture; or

2. By agreement with a third-party payer, performing utilization review, quality assurance or credentialing activities in connection with the provision of services by KVHP members to subscribers of the third-party payer.

IV. NOTICE

It is further ordered that KVHP shall:

A. Distribute by certified mail, return receipt requested, a copy of this Consent Decree along with the Complaint in this matter to each of its members within thirty (30) days after the date the Consent Decree is entered by the Court; and

B. Provide each new member of KVHP with a copy of this Consent Decree along with the Complaint in this matter at the time the member is accepted into or joins KVHP.

V. ACCESS TO DOCUMENTS

Upon seven days notice, KVHP shall provide the Department of the Attorney General with any documents in its control or possession which the Department requests.

VI. PUBLIC INTEREST

Entry of this Consent Decree is found by this Court to be in the public interest.

VII. RETENTION OF JURISDICTION

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Decree to apply to this Court at any time such further orders or directions as may be necessary or appropriate for the construction or carrying out of the Consent Decree, for the modification of or termination of any of the provisions hereof, and for enforcement of compliance herewith.

Consented to on behalf of the State of Maine by:

MICHAEL E. CARPENTER
Attorney General

Dated: 2/14/91

Stephen L. Wessler
STEPHEN L. WESSLER
Deputy Attorney General
Chief, Consumer & Antitrust Division
State House Station 6
Augusta, Maine 04333
(207) 289-3661

Consented to on behalf of Defendant Kennebec Valley Health
Plan, Inc. by:

Dated: 2/13/91

Joseph M. Kozak
JOSEPH M. KOZAK, Esq.
Counsel for Defendant
77 Winthrop Street
Augusta, Maine 04330
(207) 622-6311

It is hereby ordered and decreed as set forth above.

Dated: _____

JUSTICE, SUPERIOR COURT