



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

November 23, 2009

Lawrence Monahan, M.D.
Commonwealth of Virginia

Re: *In the Matter of Carilion Clinic, Docket No. 9338*

Dear Dr. Monahan:

Thank you for your comments regarding the proposed consent order accepted by the Federal Trade Commission for public comment in the above-captioned matter. The Commission has reviewed your comments in connection with its decision whether to accord final approval to the proposed consent order, and has also placed your comments on the public record.

Your letter does not comment directly about the terms of the consent order, but instead expresses your concern that Carilion will acquire some or all of the physicians practicing in an orthopedic medical group in Roanoke. Since the time your comment was submitted, it has been reported publicly that Carilion has agreed to merge with the Roanoke Orthopedic Center. Although we understand the nature of your concerns, the Commission's complaint, and the proposed consent agreement in the above-captioned matter, address only Carilion's acquisition of CAI and CSE. The consent order is intended to restore the competition eliminated by those specific transactions, and does not constitute a ruling by the Commission that subsequent mergers or acquisitions by Carilion are either legal or illegal. With respect to such other transactions, the Commission reserves the right to take such further action as the public interest may require.

Notwithstanding the above, please note that the order does contain provisions that place certain restrictions on Carilion's ability to acquire physician practices. In particular, Paragraph III.B of the Order prohibits Carilion from soliciting for employment any physician or physician practice that has referred patients to CAI since the acquisition. The prohibition is effective for six months as of the date Carilion executes the ACCO, and is designed to allow the Commission-approved buyer sufficient time to develop CAI's referral base. The order does not prevent Carilion from continuing discussions that began before the date the consent order was signed with certain medical practices referred to as "confidential referring physicians." For such physicians, within ten days after the order is accepted for public comment, Carilion was required to notify the physician or physician practice that they are under no obligation to continue such discussions, and to provide a copy of the consent order and Analysis to Aid Public Comment. As mentioned above, in addition to these provisions, the Commission retains the ability to review future acquisitions by Carilion or other providers that may substantially lessen competition.

For these reasons, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission's website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work on antitrust and consumer protection issues, and we appreciate your interest in this matter.

By direction of the Commission.

Donald S. Clark
Secretary