Memorial Hermann, Houston’s largest hospital system, settled an antitrust action on January 11, 2010, brought by Stealth LP, a limited partnership physician group that owned one of Memorial Hermann’s former competitors, Town & Country Hospital. After Town & Country closed in 2007, Stealth filed an antitrust suit alleging that Memorial Hermann improperly threatened to raise prices or pull business from health insurers who worked with Town and Country. In its defense, Memorial Hermann claimed that it acted fairly and aggressively in reacting to a reasonable competitive threat from the smaller hospital. The attorney for Memorial Hermann claims that while his client has in fact told insurance companies it would change rates if insurers elected to do business with a competitor, it is not unfair, wrong, or illegal for Memorial Hermann to exercise its contractual right to do so.

The terms of the settlement have not yet been released, but the attorney representing Stealth said his clients are very satisfied. A growing number of settlements of this nature indicate a heightened level of scrutiny regarding hospital billing practices. In January 2009, Memorial Hermann had been questioned about other anti-competitive behavior towards Town & Country. In that investigation, the Texas Attorney General alleged that Memorial Hermann had threatened costly contract terminations or rate increases to punish insurers that signed on with Town & Country. Memorial Hermann again settled, agreeing to pay $700,000 to the state for the cost of the investigation, and suffered an injunction requiring them to refrain from similar anti-competitive actions, such as those alleged in the lawsuit, for a minimum of five years.

Mr. Cimasi holds a Masters in Health Administration from the University of Maryland, as well as several professional designations: Accredited Senior Appraiser (ASA – American Society of Appraisers); Fellow Royal Intuition of Chartered Surveyors (FRICS – Royal Institute of Chartered Surveyors); Master Certified Business Appraiser (MCBA – Institute of Business Appraisers); Accredited Valuation Analyst (AVA – National Association of Certified Valuators and Analysts); and, Certified Merger & Acquisition Advisor (CM&AA – Alliance of Merger & Acquisition Advisors). He has served as an expert witness on cases in numerous courts, and has provided testimony before federal and state legislative committees. He is a nationally known speaker on healthcare industry topics, the author of several books, the latest of which include: “The U.S. Healthcare Certificate of Need Sourcebook” [2005 – Beard Books], “An Exciting Insight into the Healthcare Industry and Medical Practice Valuation” [2002 – AICPA], and “A Guide to Consulting Services for Emerging Healthcare Organizations” [1999 John Wiley and Sons].

Mr. Cimasi is the author of numerous additional chapters in anthologies; books, and legal treatises; published articles in peer reviewed and industry trade journals; research papers and case studies; and, is often quoted by healthcare industry press. In 2006, Mr. Cimasi was honored with the prestigious “Shannon Pratt Award in Business Valuation” conferred by the Institute of Business Appraisers. Mr. Cimasi serves on the Editorial Board of the Business Appraisals Practice of the Institute of Business Appraisers, of which he is a member of the College of Fellows.

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