

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
NEW ORLEANS DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil No. 80-3672
v.)	
)	Sec. E, Mag. 5
HOSPITAL AFFILIATES)	
INTERNATIONAL, INC.,)	Filed: December 14, 1981
)	
and)	Entered: April 1, 1982
)	
AMERICAN HEALTH SERVICES,)	
INC.,)	
)	
Defendants.)	

STIPULATION

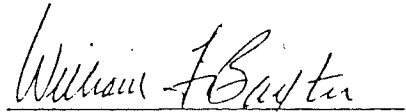
The parties and Hospital Corporation of America ("HCA"), by their attorneys, stipulate that:

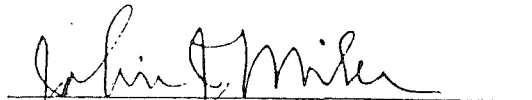
1. The parties and HCA consent that the attached Final Judgment may be filed and then entered by the Court, upon the motion of either party or HCA, or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, without further notice to any party or any other proceedings, provided that the plaintiff has not withdrawn its consent, which it may do at any time before entry of the Final Judgment by serving notice on the other parties and filing that notice with the Court.

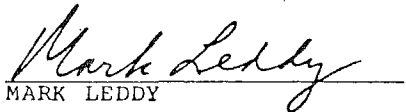
2. If the plaintiff withdraws its consent or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect, and

the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

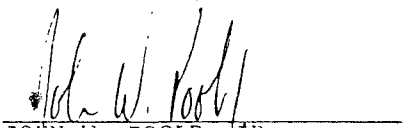
FOR THE PLAINTIFF:


WILLIAM F. BAXTER
Assistant Attorney General


JOHN J. MILES

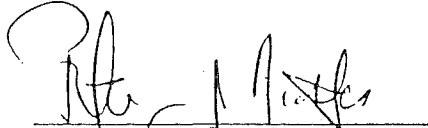

MARK LEDDY


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JOHN W. POOLE, JR.
Attorneys, United States
Department of Justice

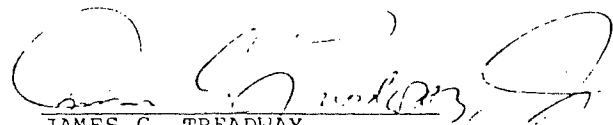
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FINAL JUDGMENT

The plaintiff, United States of America, having filed its complaint on September 25, 1980; and this Court, having preliminarily enjoined the acquisition of American Health Services, Inc. ("AHS"), by Hospital Affiliates International, Inc. ("HAI"), on September 30, 1980; and HAI having sold its interest in certain psychiatric hospitals in the New Orleans, Louisiana area; and this Court having vacated the preliminary injunction on October 16, 1980; and HAI having been subsequently acquired by Hospital Corporation of America ("HCA"); and the plaintiff, the defendants and HCA, by their attorneys, having consented to entry of this Final Judgment, without a plenary adjudication of any issue of fact or law related to this case, and without this Final Judgment constituting any evidence against, or an admission by, any party regarding any such issue;

NOW, THEREFORE, based upon the consent of the parties and HCA, it is ordered, adjudged and decreed that:

I

This Court has jurisdiction of the subject matter of this action and of the parties and HCA. The complaint states a claim upon which relief may be granted under Section 2 of the Sherman Act, 15 U.S.C. § 2, and Section 7 of the Clayton Act, 15 U.S.C. § 18.

II

As used in this Final Judgment:

(A) "Hospital" means an institution which primarily provides to inpatients, by or under the supervision of physicians, diagnostic and therapeutic medical services; treatment and care of injured, disabled, or sick persons; or rehabilitation services for injured, disabled, or sick persons.

(B) "Psychiatric hospital" means an institution which primarily provides to inpatients, by or under the supervision of a physician, specialized services for the diagnosis, treatment and rehabilitation of mental illnesses and emotional disturbances.

(C) "Inpatient psychiatric services" means specialized services for the diagnosis, treatment and rehabilitation of mental illnesses and emotional disturbances provided to persons who are lodged, fed, and treated in a hospital or psychiatric hospital.

(D) "HSA I" means Health Service Area I in Louisiana, as presently designated pursuant to Section 1511 of the National Health Planning and Resources Development Act of 1974, as amended, 42 U.S.C. Section 3001, and includes the Parishes of Orleans, Jefferson, St. Bernard, St. Tammany,

Assumption, LaFourche, Plaquemines, St. Charles, St. James, St. John the Baptist and Terrebonne.

(E) "Acquire," "acquiring," or "acquisition" means to obtain, or obtaining, by purchase or otherwise, a cumulative interest of twenty percent or more of any voting securities or assets of the entity being acquired.

(F) "Management contract" means an agreement entered into by HAI or HCA whereby either, for compensation, in any way manages, administers, or directs the operational, marketing, or financial functions of any hospital or psychiatric hospital.

III

AHS is dismissed as a defendant in this action, and HCA is added as a defendant in this action.

IV

The provisions of this Final Judgment applicable to HCA shall also apply to each of its officers, directors, agents, employees, subsidiaries, successors and assigns, and to all other persons in active concert or participating with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

V

(A) HCA is enjoined from acquiring, or entering into any management contract with, (1) any psychiatric hospital in HSA I existing on the date this Final Judgment is entered, or (2) any hospital in HSA I existing on the date this Final Judgment is entered that provides inpatient psychiatric services, without first notifying the plaintiff.

(B) Unless the plaintiff consents, HCA shall not consummate such an acquisition or enter into such a management contract before fifteen days after such notification. Within 15 days from its receipt of such notice from HCA, the plaintiff, in writing, may request from HCA, and HCA shall provide, such documents and other information as the plaintiff deems necessary to assess the competitive impact of the acquisition or management contract and to determine whether the acquisition or management contract should be challenged because it may lessen competition.

(C) If the plaintiff requests documents or information pursuant to paragraph V(B), HCA shall not consummate such acquisition or enter into such a management contract until 15 days after receipt of such documents or information by plaintiff.

(D) Unless HCA shall consent, no information or documents obtained pursuant to this paragraph V shall be divulged by any representative of the plaintiff to any persons other than employees of the plaintiff, except in the course of legal proceedings (including any appeals) to which the plaintiff is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

VI

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, from time to time;

(A) Duly authorized representatives of the plaintiff shall, upon written request to HCA by the Attorney General or by the Assistant Attorney General in charge of the Anti-trust Division, and on reasonable notice to HCA made to its principal office, be permitted:

- (a) access during the office hours of HCA, which may have counsel present, to inspect and copy all documents in the possession or under the control of HCA relating to any matters contained in this Final Judgment; and
- (b) subject to the reasonable convenience of HCA and without restraint or interference from it, to interview its officers and employees, who may have counsel present, regarding any such matters.

(B) Upon the written request of the Attorney General or of the Assistant Attorney General in charge of the Anti-trust Division made to HCA's principal office, HCA shall submit such written reports, under oath if requested, with respect to any of the matters contained in this Final Judgment as may be requested.

(C) No information or documents obtained by the means provided in this paragraph VI shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

(D) If, at the time information or documents are furnished by HCA to plaintiff pursuant to paragraph V or VI, HCA identifies in writing any such information or documents of a type described in Rule 26(c)(7) of the Federal Rules of Civil Procedure, and HCA marks each pertinent page of such

matter, "subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the plaintiff shall give HCA ten days' notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which HCA is not a party..

VII

HCA shall require, as a condition of the sale or other disposition of all, or substantially all, of (A) its assets, (B) its voting securities, or (C) its interest in DePaul Hospital in New Orleans, Louisiana, that the acquiring party agree to be bound by the provisions of this Final Judgment, and that such agreement be filed with the Court.

VIII

This Final Judgment will expire on the tenth anniversary of its date of entry.

IX

Jurisdiction is retained by this Court to enable the plaintiff or HCA to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, for the modification and enforcement of any of its provisions, and for the punishment of any violations.

X

Entry of this Final Judgment is in the public interest.

/s/ Judge Cassibry
United States District Judge