



Office of the Secretary

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

April 13, 2005

S.M. Oliva
President and CEO
The Voluntary Trade Council
Post Office Box 100073
Arlington, Virginia 22210

Re: *In the Matter of Preferred Health Services, Inc., File No. 041 0099*

Dear Mr. Oliva:

Thank you for your comments on behalf of The Voluntary Trade Council ("VTC") regarding the proposed consent order accepted by the Federal Trade Commission for public comment in the above-captioned matter. In your letter, you make a variety of allegations concerning the manner in which the Commission enforces the antitrust laws, and in addition allege that there are no grounds for the Commission to accord final approval to the consent order.

The Commission has reviewed your comments in connection with its decision concerning whether to accord final approval to the proposed consent order, and has also placed your comments on the public record. With respect to your allegations concerning the manner in which the Commission enforces the antitrust laws, I should note that, as the Commission has testified,

[f]or decades, the FTC has worked to facilitate innovative and efficient arrangements for the delivery and financing of health care services by challenging artificial barriers to competition among health care providers. . . . The Commission's consent orders [in these matters] put a stop to allegedly collusive conduct harming employers, individual patients, and health plans by depriving them of the benefits of competition in the purchase of physician services.¹

¹See *An Overview of Federal Trade Commission Antitrust Activities* (July 24, 2003), Prepared Statement of the Federal Trade Commission, Presented By The Honorable Timothy J. Muris, Chairman, Before the Committee on the Judiciary, Antitrust Task Force, United States House of Representatives (July 24, 2003), at 3, available at <http://www.ftc.gov/os/2003/07/antitrustoversighttest.htm> (copy enclosed).

After appropriate consideration of your comments, 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>.

By direction of the Commission, Chairman Majoras not participating.

Donald S. Clark
Secretary