

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of

**PIEDMONT HEALTH ALLIANCE, INC.,
a corporation,**

and

**PETER H. BRADSHAW, M.D.,
S. ANDREWS DEEKENS, M.D.,
DANIEL C. DILLON, M.D.,
SANFORD D. GUTTLER, M.D.,
DAVID L. HARVEY, M.D.,
JOHN W. KESSEL, M.D.,
A. GREGORY ROSENFELD, M.D.,
JAMES R. THOMPSON, M.D.,
ROBERT A. YAPUNDICH, M.D.,
and WILLIAM LEE YOUNG III, M.D.,
individually.**

Docket No. 9314

**RESPONDENT PIEDMONT HEALTH ALLIANCE'S RESPONSES AND OBJECTIONS
TO COMPLAINT COUNSEL'S FIRST SET OF REQUESTS FOR ADMISSIONS**

Pursuant to Rule 3.32 of the Commission's Rules of Practice, Respondent Piedmont Health Alliance, Inc. ("PHA") hereby responds and objects to Complaint Counsel's First Set of Requests for Admissions dated February 19, 2004 ("Requests for Admissions").

PRELIMINARY STATEMENT

The following objections and responses are made solely for the purpose of this action. Each response is subject to all objections as to competence, relevance, privilege, materiality, propriety, admissibility, and any and all other objections and grounds that would require the exclusion of any statement contained herein if any requests were asked of, or if any statements contained herein were made by, or if any documents referenced herein were offered by, a witness

present and testifying at the trial of this proceeding, all of which objections are reserved and may be interposed at the time of trial.

The following responses are based upon information and documents presently within PHA's custody, possession, or control, and no incidental or implied admissions are intended hereby. PHA's responses are made with the express reservation of all rights pursuant to the Commission's Rules of Practice to supplement and/or amend these responses or otherwise to present evidence later discovered or the significance of which is learned subsequent to the date hereof. Under the terms of the Scheduling Order, Complaint Counsel has the right to issue additional Requests for Admissions to PHA. Accordingly, Respondent PHA will provide a sworn statement attesting to the answers below and all subsequent answers, pursuant to Rule 3.32(b) of the Commission's Rules of Practice, in response to Complaint Counsel's final Request for Admissions to PHA.

The fact that PHA has not answered or objected to any request, or part thereof, is not an admission that PHA accepts or admits the existence of any facts or documents set forth in or assumed by such request or that such answer or objection constitutes admissible evidence. PHA is not waiving any objection as to the relevance of the information provided or the admissibility of such information at trial or otherwise. The fact that PHA has responded to any request for admission is not intended and shall not be construed as a waiver by PHA of all or any part of any objection to any request for admission.

GENERAL OBJECTIONS

The following General Objections and Objections to Specific Definitions and Instructions are incorporated into each specific response below as if fully set forth therein. PHA's responses to Complaint Counsel's Requests for Admissions shall be likewise limited.

1. PHA objects to Complaint Counsel's Requests for Admissions to the extent that they seek to impose obligations or requirements on PHA beyond those contained in the Commission's Rules of Practice. PHA will respond to Complaint Counsel's Requests for Admissions consistent with these rules.

2. PHA objects to Complaint Counsel's Definitions and Instructions to the extent that they attempt to impose obligations on PHA beyond those contained in the Commission's Rules of Practice and to ascribe meanings to words that are different from their ordinary usage.

3. PHA objects to Complaint Counsel's Requests for Admissions to the extent that they purport to require disclosure of information that is protected from discovery by the attorney-client privilege, work-product doctrine, or any other privilege, doctrine, or immunity. Nothing contained in these responses is intended or may be construed as a waiver of the attorney-client privilege, the work-product doctrine, or any other privilege, doctrine, or immunity.

4. PHA objects to Complaint Counsel's Requests for Admissions to the extent that they seek doctor-patient or peer review privileged information.

5. PHA objects to Complaint Counsel's Requests for Admissions to the extent they call for disclosure of its trade secrets and/or confidential and proprietary commercial and financial information. PHA will provide responses containing its confidential and proprietary information subject to the terms of the Protective Order Governing Discovery Material issued by Judge Chappell on February 3, 2004 .

6. PHA objects to Complaint Counsel's Requests for Admissions to the extent they are overly broad, vague, ambiguous, unduly burdensome, oppressive, and are not reasonably calculated to lead to the discovery of admissible evidence.

7. PHA objects to Complaint Counsel's Requests for Admissions to the extent that they request information for a time period that is overbroad, unduly burdensome, and oppressive, and call for the discovery of information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence to the extent that they (a) include periods after the issuance of the Complaint; (b) include periods before the actions alleged in the Complaint; and (c) extend back further than a practitioner's participation in PHA.

8. PHA objects to the Definitions and Instructions contained in the Requests for Admissions to the extent those definitions and instructions are overly broad, vague, ambiguous, unduly burdensome, oppressive, and is not reasonably calculated to lead to the discovery of admissible evidence. PHA further objects to those Definitions and Instructions to the extent they attempt to impose obligations on PHA beyond those contained in the Commission's Rules of Practice.

RESPONSE TO REQUESTS FOR ADMISSIONS

PHA'S specific responses are made subject to the General Objections and Objections to Specific Definitions and Instructions (collectively, "General Objections").

1. PHA's practitioners provide covered services to payors' members either through group practices, or as employees of PHA's participating hospitals.

RESPONSE: PHA cannot truthfully admit or deny this request for admission because Respondent does not have sufficient information or knowledge. Respondent has made a reasonable inquiry and the information known to or readily obtainable by Respondent is insufficient to enable it to fully admit or fully deny this Request for Admission. Admitted to the extent that PHA practitioners may provide covered services to the members of payors with which

the PHA member contracts, and may do so as a member of a group practice, as a sole practitioner, or as an employee of one of PHA's participating hospitals.

2. All PHA group practices – other than Doctors Vision Center, Family Medicine Associates of Lincoln County, PLLC, and Lincolntown Medical Group – have at least one office, or place of business, in the Unifour area at which PHA practitioners provide covered services to payors' members.

RESPONSE: PHA objects to the extent that Request for Admission No. 2 to the extent that it is overly broad, vague, ambiguous unduly burdensome, and seeks to impose on PHA a burden greater than that imposed by the Commission's Rules of Practice. PHA cannot truthfully admit or deny this request for admission because Respondent does not have sufficient information or knowledge. Respondent has made a reasonable inquiry and the information known to or readily obtainable by Respondent is insufficient to enable it to fully admit or fully deny this Request for Admission. Admitted to the extent that all PHA group practices– other than Doctors Vision Center, Family Medicine Associates of Lincoln County, PLLC, and Lincolntown Medical Group– currently have at least one office, or place of business in Alexander, Burke, Caldwell and/or Catawba counties, at which they may provide covered services to the members of payors with which they currently contract.

3. PHA's practitioners provide covered services to payors' members in the Unifour area through more than 150 group practices.

RESPONSE: PHA objects to the extent that Request for Admission No. 3 to the extent that it is overly broad, vague, ambiguous, unduly burdensome, and seeks to impose on PHA a burden greater than that imposed by the Commission's Rules of Practice. PHA cannot truthfully admit or deny this request for admission because Respondent does not have sufficient information or knowledge. Respondent has made a reasonable inquiry and the information known to or readily

obtainable by Respondent is insufficient to enable it to fully admit or fully deny this Request for Admission. Admitted to the extent that there are more than 150 practice groups that participate in PHA and through which PHA practitioners may provide covered services in Alexander, Burke, Caldwell and/or Catawba counties to the members of payors with which they contract.

4. The more than 135 PHA primary care physicians provide covered services to payors' members in the Unifour area through more than 55 group practices.

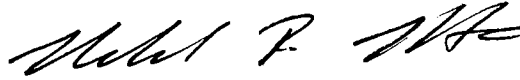
RESPONSE: PHA objects to the extent that Request for Admission No. 4 to the extent that it is overly broad, vague, ambiguous, unduly burdensome, and seeks to impose on PHA a burden greater than that imposed by the Commission's Rule of Practice. PHA cannot truthfully admit or deny this request for admission because Respondent does not have sufficient information or knowledge. Respondent has made a reasonable inquiry and the information known to or readily obtainable by Respondent is insufficient to enable it to fully admit or fully deny this Request for Admission. Admitted to the extent that there are more than 55 group practices that participate in PHA and through which more than 135 primary care physicians may provide covered services in Alexander, Burke, Caldwell and/or Catawba counties to the members of payors with which they contract.

5. PHA's practitioners who provide covered services in the specialties of Allergy/Immunology, Cardiology, Dermatology, Family Medicine, Gastroenterology, General Surgery, Internal Medicine, Obstetrics/Gynecology, Pediatrics, Neonatology, Nephrology, Neurology, Neurosurgery, Oncology/Hematology, Ophthalmology, Oral Surgery, Orthopaedic Surgery, Otolaryngology, Pathology, Physiatry/Physical Medicine, Plastic/Reconstructive Surgery, Podiatry, Radiation/Oncology, Radiology, Rheumatology, Urgent Care, Urological Surgery through group practices in the Unifour area compete – in the sense that the practitioners are alternatives when viewed from the perspective of patients, or payors who are seeking to contract with practitioners to provide covered services to their members – with one or more PHA practitioners of the same specialty who provide covered services through different group practices in the Unifour area.

RESPONSE: PHA objects to the extent that Request for Admission No. 5 to the extent that it is overly broad, vague, ambiguous, unduly burdensome, potentially seeks information that is protected by the attorney-client and work product privileges, and seeks to impose on PHA a burden greater than that imposed by the Commission's Rules of Practice. PHA cannot truthfully admit or deny this request for admission because Respondent does not have sufficient information or knowledge. Respondent has made a reasonable inquiry and the information known to or readily obtainable by Respondent is insufficient to enable it to fully admit or fully deny this Request for Admission. This Request for Admission is denied to the extent that PHA practitioners of the same specialty who provide covered services in Alexander, Burke, Caldwell and/or Catawba counties may or may not compete with PHA practitioners in different group practices in Alexander, Burke, Caldwell or Catawba counties and may or may not be viewed as alternatives of these different group practices when viewed from the perspective of patients, or payors who are seeking to contract with practitioners to provide covered services to their members.

Signed as to Objections:

Date: 3/8/04



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ATTORNEYS FOR PHA

CERTIFICATE OF SERVICE

I, Andrea L. Hamilton, hereby certify that on March 8, 2004:

I caused two copies of Respondent Piedmont Health Alliance's Responses And Objections To Complaint Counsel's First Set Of Requests For Admissions, to be served by hand delivery upon the following person:

Hon. D. Michael Chappell
Administrative Law Judge
Federal Trade Commission
Room H-104
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

I caused two copies of Respondent Piedmont Health Alliance's Responses And Objections To Complaint Counsel's First Set Of Requests For Admissions, to be served by hand delivery upon the following:

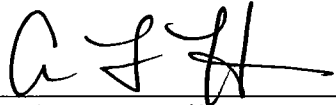
Office of the Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

I caused a copy of Respondent Piedmont Health Alliance's Responses And Objections To Complaint Counsel's First Set Of Requests For Admissions, to be served via electronic mail and followed by U.S. mail delivery to the following persons:

John S. Martin, Esq.
David M. Narrow, Esq.
Markus H. Meier, Esq.
Complaint Counsel
Bureau of Competition
Federal Trade Commission
601 New Jersey Avenue, N.W.
Room S-3013
Washington, D.C. 20580

I caused a copy of Respondent Piedmont Health Alliance's Responses And Objections To Complaint Counsel's First Set Of Requests For Admissions, to be served via U.S. mail delivery to the following person:

Jeffrey Brennan, Esq.
Assistant Director Health Care Services & Products
Bureau of Competition
Federal Trade Commission
601 New Jersey Avenue, N.W.
Washington, D.C. 20580



Andrea L. Hamilton