

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Civil Action No.
	)	
v.	)	<b>STIPULATED FINAL JUDGMENT</b>
	)	<b>AND ORDER FOR PERMANENT</b>
SAN JUAN IPA, INC.	)	<b>INJUNCTION AND CIVIL PENALTY</b>
	)	
Defendant.	)	
	)	

Plaintiff, the Federal Trade Commission (“Commission”) filed its Complaint for Civil Penalties and Other Relief (“Complaint”) for permanent injunction, civil penalties, and other relief in this matter, pursuant to Sections 5(l) and 16(a)(1) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(l) and 56(a)(1). Defendant has waived service of the summons and Complaint. Plaintiff and Defendant stipulate to entry of this Stipulated Final Judgment and Order for Permanent Injunction and Civil Penalty (“Stipulated Order”) to resolve all claims for civil penalties and injunctive relief known by the Commission prior to entry of this Stipulated Order.

THEREFORE, IT IS HEREBY ORDERED as follows:

**FINDINGS**

1. This Court has jurisdiction over this matter.
2. The Complaint charges that Defendant engaged in conduct that violated the Decision and Order issued by the Commission in a proceeding bearing Docket No. C-4142 (“FTC Order”) set forth in Attachment A.

3. Defendant neither admits nor denies any of the allegations in the Complaint. Only for purposes of this action, Defendant admits the facts necessary to establish jurisdiction.
4. Defendant waives any claim that it may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action through the date of this Stipulated Order, and agrees to bear its own costs and attorney fees.
5. Defendant waives all rights to appeal or otherwise challenge or contest the validity of this Stipulated Order.

### **DEFINITIONS**

- A. “Payor” means any person that pays, or arranges for the payment, for all or any part of any physician services for itself or for any other person. “Payor” includes any person that develops, leases, or sells access to networks of physicians. For purposes of clarification, Defendant is not a Payor.
- B. “Physician” means a doctor of allopathic medicine (“M.D.”) or a doctor of osteopathic medicine (“D.O.”).

### **I. CIVIL PENALTY**

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of \$263,000 is entered in favor of the Plaintiff against Defendant as a civil penalty pursuant to Section 5(l) of the FTC Act, 15 U.S.C. § 45(l).
- B. Defendant shall pay the civil penalty by making payment to the Federal Trade Commission within 30 days of entry of this Stipulated Order by electronic funds transfer in accordance with instructions specified by a representative of Plaintiff.
- C. In the event of a default in payment, interest at the rate of 18 percent per annum shall accrue thereon from the date of the default to the date of payment.

## II. COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendant shall:

A. File a verified written report with the Commission:

1. No later than 30 days after entry of this Stipulated Order, in which Defendant shall state if it intends to operate an arrangement with any Physicians under which Defendant will act as a messenger, or an agent on behalf of those Physicians, with Payors regarding contracts or terms of dealing, and if so, provide the following information:

- a. The proposed geographic area of operation;
- b. A copy of any proposed Physician participation agreement (including a copy of each form intended to be used to communicate with Physician participants regarding contracts or terms of dealing with Payors);
- c. A description of the proposed arrangement's purpose and function; and
- d. A description of procedures to be implemented to limit possible anticompetitive effects, such as those prohibited by the FTC Order.

2. No later than 15 days after Defendant executes or renews a contract with a Payor that includes a complete copy of such contract and describes in detail, with a narrative and any supporting documents, how Defendant complied with the FTC Order during the negotiation with such Payor.

B. Defendant shall verify any report required by this Section II in the manner set forth in 28 U.S.C. § 1746 by the chief executive officer or another officer or employee specifically authorized to perform this function. Defendant shall file each compliance report with the Secretary of the Commission at [ElectronicFilings@ftc.gov](mailto:ElectronicFilings@ftc.gov) and the Compliance Division at [bccompliance@ftc.gov](mailto:bccompliance@ftc.gov), as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a).

### **III. RECORD RETENTION**

IT IS FURTHER ORDERED that for a period of 5 years, Defendant shall retain copies of all written communications with any Payor or third party and all internal memoranda and reports relating to the negotiation of any contract with a Payor. Defendant shall provide copies of such documents to FTC staff upon request.

### **IV. ORDER NOTIFICATION AND DISTRIBUTION**

IT IS FURTHER ORDERED that:

- A. No later than 15 days after entry of this Stipulated Order, Defendant shall send a copy of this Stipulated Order and Complaint (with Attachment B as a cover letter) by first-class mail with delivery confirmation or electronic mail with delivery confirmation to (1) each of Defendant's members, and (2) each Payor that executed a contract at any time with Defendant since January 1, 2018, for the provision of Physician services; and
- B. For a period of 5 years after entry of this Stipulated Order, Defendant shall send a copy of this Stipulated Order and Complaint (with Attachment C as a cover letter) by first-class mail with delivery confirmation or electronic mail with delivery confirmation to each new Payor with whom Defendant executes a contract for the provision of Physician services no later than 5 days before Defendant executes such contract.

### **V. CONTRACT TERMINATION**

IT IS FURTHER ORDERED that Defendant shall, at the written request of a Payor made within 30 days after receiving a copy of this Stipulated Order and Complaint pursuant to Paragraph IV.A of this Stipulated Order, terminate, without penalty or charge, and in compliance with any applicable laws, a preexisting contract with such Payor for the provision of Physician services no later than the termination date specified in the Payor's written request.

**VI. MODIFICATION OF DECISION AND ORDER**

IT IS FURTHER ORDERED that Defendant, and its successors and assigns, shall consent to: (A) reopening of the proceeding in FTC Docket No. C-4142; (B) waiver of its rights under the show cause procedures set forth in Section 3.72(b) of the Commission’s Rules of Practice, 16 C.F.R. § 3.72(b); and (C) modifying Paragraph VIII of the Decision and Order in *In re San Juan IPA, Inc.*, C-4142, by deleting the original language and replacing it with: “IT IS FURTHER ORDERED that this Order shall terminate on June 30, 2030.”

**VII. CONTINUING JURISDICTION**

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Stipulated Order.


SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
United States District Judge

**SO STIPULATED AND AGREED:**

**FOR FEDERAL TRADE COMMISSION:**

**HOLLY  
VEDOVA**

 Digitally signed by HOLLY  
VEDOVA  
Date: 2022.09.28 18:28:00  
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Holly L. Vedova  
Director  
Bureau of Competition


**MARIBETH  
PETRIZZI**

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MARIBETH PETRIZZI  
Date: 2022.09.28 13:38:42  
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Maribeth Petrizzi (D.C. Bar #435204)  
Assistant Director  
Bureau of Competition


**ERIC  
ROHLCK**

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ROHLCK  
Date: 2022.09.28  
13 58:51 -04'00'

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Eric D. Rohlck (D.C. Bar #419660)  
Deputy Assistant Director  
Bureau of Competition

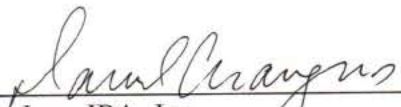
**JEFFERY  
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Date: 2022.09.29 09:01:09  
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Washington, D.C. 20580  
202-326-2564, [mpetrizzi@ftc.gov](mailto:mpetrizzi@ftc.gov)

**FOR DEFENDANT:**

  
\_\_\_\_\_  
San Juan IPA, Inc.  
By: Daniel Chang, M.D.  
President, Board of Directors

Dated: 7/20/22

  
\_\_\_\_\_  
Gerald A. Stein (D.C. Bar #1655482)  
Norton Rose Fulbright US LLP  
1301 Avenue of the Americas  
New York, NY 10019  
Telephone: 212-318-3036  
Email: [gerald.stein@nortonrosefulbright.com](mailto:gerald.stein@nortonrosefulbright.com)

Dated: 7/20/22

Counsel for San Juan IPA, Inc.

Attachment A  
[FTC Order]



Attachment B

[San Juan IPA letterhead]

[Name of Payor]

Dear [name of Payor]:

San Juan IPA is required to send you this notice by the Stipulated Final Judgment and Order (“Stipulated Order”) entered in *Federal Trade Commission v. San Juan IPA*, Civil Action No. xxxxxx. In this matter, the Federal Trade Commission (“FTC”) alleged that San Juan IPA violated the FTC’s Decision and Order issued on June 30, 2005 (FTC Docket No. C-4142).

The Stipulated Order reflects a settlement without litigation between the FTC and San Juan IPA and does not constitute an admission by San Juan IPA that it violated the FTC’s Decision and Order or that any of the facts alleged by the FTC regarding San Juan IPA’s conduct are true. The Stipulated Order fully resolves any and all claims or alleged violations arising out of certain contracts between San Juan IPA and Payors.

Attached are copies of the complaint and Stipulated Order. You may also read and download a copy of these documents from the FTC’s website at [web link to case on FTC website].

The Stipulated Order also allows you to terminate the contract between you and San Juan IPA if you so desire. A request to terminate must be made within 30 days after receipt of this letter.

Sincerely,

[Name and Title]

Attachment C

[San Juan IPA letterhead]

[Name of Payor]

Dear [name of Payor]:

San Juan IPA is required to send you this notice by the Stipulated Final Judgment and Order (“Stipulated Order”) entered in *Federal Trade Commission v. San Juan IPA*, Civil Action No. xxxxxx. In this matter, the Federal Trade Commission (“FTC”) alleged that San Juan IPA violated the FTC’s Decision and Order issued on June 30, 2005 (FTC Docket No. C-4142).

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Sincerely,

[Name and Title]