I. PURPOSE: To comply with antitrust laws in conducting business on behalf of HHSC and its affiliated facilities.

II. POLICY: HHSC recognizes that competition is good for business and good for the citizens of Hawaii because it offers each enterprise an opportunity to compete on the basis of price, quality and service. This is particularly true in Hawaii where markets are often isolated by rural conditions and patients lack the many purchasing alternatives characteristic of the urban health care marketplace. Accordingly, it is the policy of HHSC to comply with State and federal laws concerning antitrust and unfair competition. Each officer, director, designated employees and contractors of HHSC shall review this Corporate Policy on Compliance with Antitrust Laws in accordance with HHSC’s Quality Through Compliance Program.

III. PROCEDURE: By following the procedures described below, each officer, director, designated employees and contractors of HHSC can reduce the possibility of violating the antitrust laws. However, these procedures are not a simple cure for all antitrust issues. Whenever a question arises concerning the legality of a certain conduct or strategy, the officer, director, employee, or contractor should contact HHSC’s General Counsel or her designee.

A. Basic Concerns:

- Never discuss healthcare service prices with competitors. This includes the price which HHSC charges for its own goods and services, the prices charged by HHSC’s competitors for their goods and services, and the prices that HHSC pays for goods and services that it purchases in a competitive environment.

- Never engage in the division of markets or territories with competitors. This includes all types of markets, including markets for patients and markets for physicians, nurses or technical employees who serve those patients to the benefit of HHSC.

- Never use one product or service as “bait” or leverage for selling something else. For example, don't withhold one essential product or service unless a patient or payer agrees to purchase a less essential item which offers a higher profit margin to HHSC. This is particularly true in those rural markets where HHSC is the “sole provider” of some services.
Never criticize or disparage a competitor's goods or services.

Never make sale or purchase conditional on reciprocal sales or purchases.

Never obtain confidential information about a competitor directly from the competitor because this practice has the appearance of sharing price information and other material which can be used to stifle competition.

Never attend meetings (including large health industry trade association meetings) where prices or any of the practices forbidden by this policy are discussed. If such items are discussed, you should walk out of the meeting.

B. Trade Associations:

Whenever HHSC employees meet with representatives of other hospitals or members of the health care industry, whether it be in an informal meeting or a trade association, the potential for antitrust violations increases greatly. The following additional guidelines become necessary under these circumstances:

- Never discuss, either at a trade association meeting or other gathering of trade association members, any of the following topics:
  - Prices or factors used to determine prices;
  - Specific costs;
  - Specific profit levels;
  - Credit terms;
  - Allocation of territories among competitors;
  - Allocation of customers among competitors;
  - Refusal to deal with customers or suppliers; and
  - Limitation of services.

- Always consult the HHSC General Counsel when a trade association adopts or discusses the following topics:
  - Restrictions on members competing with or dealing with anyone, including among themselves;
  - Restrictions on members participating in trade association activities to the competitive detriment of competitors; and
  - Restriction of the dissemination of information to non-members of the trade association to the competitive detriment of non-members.