

*Number of Petitions Filed:* 1.

Federal Communications Commission.

**Magalie Roman Salas,**  
Secretary.

[FR Doc. 98-14375 Filed 5-29-98; 8:45 am]

BILLING CODE 6712-01-M

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than June 17, 1998.

**A. Federal Reserve Bank of Atlanta**  
(Lois Berthaume, Vice President) 104 Marietta Street, N.W., Atlanta, Georgia 30303-2713:

1. *Compass Bancshares, Inc.*, Birmingham, Alabama; *Compass Banks of Texas, Inc.*, Birmingham, Alabama; and *Compass Bancorporation of Texas, Inc.*, Wilmington, Delaware; to acquire 100 percent of the voting shares of *Hill Country Bank*, Austin, Texas.

Board of Governors of the Federal Reserve System, May 27, 1998.

**Jennifer J. Johnson,**

*Deputy Secretary of the Board.*

[FR Doc. 98-14441 Filed 5-29-98; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL TRADE COMMISSION

[File No. 961-0005]

### Institutional Pharmacy Network, et al.; Analysis to Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed Consent Agreement.

**SUMMARY:** The consent agreement in this matter settles alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis to Aid Public Comment describes both the allegations in the draft complaint that accompanies the consent agreement and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

**DATES:** Comments must be received on or before July 31, 1998.

**ADDRESSES:** Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW, Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:**

William Baer or Willard Tom, FTC/H-374, Washington, DC 20580. (202) 326-2032 or 326-2786.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46 and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained from the FTC Home Page (for May 21, 1998), on the World Wide Web, at "<http://www.ftc.gov/os/actions97.htm>." A paper copy can be obtained from the FTC Public Reference Room, Room H-130, Sixth Street and Pennsylvania Avenue, NW, Washington, DC 20580, either in person or by calling (202) 326-3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

### Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted, subject to final approval, an agreement to a proposed consent order from Institutional Pharmacy Network (IPN) and its five members: Evergreen Pharmaceutical, Inc.; NCS Healthcare of Oregon, Inc.; NCS Healthcare of Washington, Inc.; United Professional Companies, Inc.; and White, Mack and Wart, Inc.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms. The proposed consent order has been entered into for settlement purposes only and does not constitute an admission by any proposed respondent that the law has been violated as alleged in the complaint.

#### Description of the Draft Complaint

A complaint that the Commission prepared for issuance along with the proposed order alleges the following:

Evergreen Pharmaceutical, Inc.; NCS Healthcare of Oregon, Inc.; NCS Healthcare of Washington, Inc.; United Professional Companies, Inc.; and White, Mack and Wart, Inc., are institutional pharmacies that compete to serve institutional care facilities, such as nursing homes. Institutional pharmacies provide specialized services, including providing medications in single dose packages, maintaining an "emergency box" at the client facility with drugs for use in emergency situations, and providing consulting and quality assurance services to institutional care facilities. The institutional pharmacy/respondents together provide pharmacy services for approximately 80 percent of the patients that receive institutional pharmacy services in Oregon.

The State of Oregon created the Oregon Health Plan ("OHP") in 1994 to provide health care to Medicaid recipients and other needy Oregonians. Under OHP, the state contracts with Fully Capitated Health Plans ("Plans"), which are managed care organizations that receive a fixed payment to care for

OHP patients. The Plans in turn contract with providers, including nursing homes, hospitals, physicians, retail pharmacies, and institutional pharmacies. OHP covers about half of all institutional care patients in Oregon.

The institutional pharmacy respondents formed IPN to offer their services jointly. Their purpose to negotiate collectively has been to maximize their resulting leverage in bargaining over reimbursement rates with the Plans. Indeed, even before forming IPN, they saw "an advantage to negotiate from strength for reimbursement" because they recognized that competition among themselves would drive down reimbursement rates. IPN neither provides new or efficient services, nor enables its members to provide new or efficient services. Moreover, IPN members do not share risk.

IPN has contracted with three Plans. Pursuant to each of those contracts, each Plan pays IPN members a higher rate than it pays institutional pharmacies that are not IPN members and that did not negotiate collectively with that Plan. IPN also attempted to contract with at least four other Plans. Clinical, Evergreen, IPAC, ProPac, and UPC agreed that, before conducting individual negotiations, each member would give IPN time to attempt to negotiate a contract. Pursuant to this agreement, the pharmacies negotiated separately with three of the Plans only after IPN failed to reach an agreement on behalf of the group. IPN also negotiated with a fourth Plan that is by far the largest purchaser of institutional pharmacy services for OHP patients. Although this Plan sought to deal with the pharmacies individually, they largely refused to respond and instead approached the Plan as a group. After months of attempting to negotiate individually with the institutional pharmacy members of IPN, and under pressure to implement pharmacy arrangements for institutional care patients under OHP, the Plan began negotiating with IPN. As a result of these negotiations, the Plan agreed to pay higher rates to IPN members than it had agreed to pay other institutional pharmacies.

The institutional pharmacy members of IPN have agreed among themselves, and used IPN, to engage in collective negotiations over price and other terms with the Plans and thereby to fix the fees they charge the Plans. In so doing, IPN and its institutional pharmacy members have fixed, stabilized, or increased the price of institutional pharmacy services and otherwise restrained competition among

institutional pharmacies in Oregon and thereby deprived the State of Oregon, the Plans, nursing homes and other long-term care facilities, and OHP beneficiaries of the benefits of competition among providers of institutional pharmacy services in Oregon.

#### **Description of the Proposed Consent Order**

The proposed order would prohibit IPN and the institutional pharmacy respondents from entering into, maintaining, or enforcing any agreement with any pharmacy concerning fees or fixing, raising, stabilizing, maintaining, or tampering with any fees. The proposed order contains a number of provisos.

Proviso (1) allows each respondent to engage in conduct (including collectively determining reimbursement and other terms of contracts with payers) that is reasonably necessary to operate (a) any "qualified risk-sharing joint arrangement," or (b) upon prior notice to the Commission, any "qualified clinically integrated joint arrangement." The proviso addresses the arrangements that the respondents may enter into, rather than the overall nature of the group, because a pharmacy network may enter into legitimate arrangements with some third-party payers but engage in illegal conduct with respect to others. For the purposes of the order, a "qualified risk-sharing joint arrangement" must satisfy two conditions: (a) participating pharmacies must share substantial financial risk and (b) the arrangement must be non-exclusive. The order lists ways in which pharmacies might share financial risk. These track the four types of financial risk sharing set forth in the Joint FTC-Department of Justice Statements of Antitrust Enforcement Policy in Health Care. 4 Trade Reg. Rep. (CCH) ¶ 13,153 (August 29, 1996). To be a "qualified" risk sharing arrangement, the arrangement must also be non-exclusive, both in name and in fact. An arrangement that either restricts the ability of participating pharmacies to contract outside the arrangement (individually or through other networks) with third-party payers, or facilitates refusals to deal outside the arrangement by participating pharmacies, does not fall within the proviso. Although exclusive joint arrangements are not necessarily anticompetitive, they can impair competition, particularly when they include a large portion of the pharmacies in a market. In light of the IPN members' large share of the Oregon institutional pharmacy market, this definition does not permit the

respondents to form or participate in exclusive arrangements.

A *qualified clinically integrated joint arrangement* includes arrangements in which the pharmacies undertake cooperative activities to achieve efficiencies in the delivery of clinical services, without necessarily sharing substantial financial risk. For purposes of the order, such arrangements are ones in which the participating pharmacies have a high degree of interdependence and cooperation through their use of programs to evaluate and modify their clinical practice patterns, in order to control costs and assure the quality of pharmacy services provided through the arrangement. As with risk-sharing arrangements, the definition of clinically integrated arrangements reflects the analysis in the 1996 FTC/DOJ Statements of Antitrust Enforcement Policy in Health Care and the arrangement must be non-exclusive. Because the definition of a clinically integrated arrangement is by necessity less precise than that of a risk sharing arrangement, the order imposes prior notification requirements. Such prior notification will allow the Commission to evaluate the likely competitive impact of a specific proposed arrangement and thereby help guard against the recurrence of acts and practices that have restrained competition and consumer choice.

The remaining provisos allow business arrangements typical to pharmacy markets. Proviso (2)(a) allows the proposed respondents to contract with pharmacy benefit managers that own or are affiliated with retail pharmacies. Provisos (2)(b) and (3) together permit price agreements between a pharmacy and a nursing home even if the nursing home is affiliated with a pharmacy. Proviso (2)(c) permits a pharmacy to enter into subcontracting agreements where it is not reasonable for a pharmacy with an agreement with a nursing home or third-party payer to provide services by itself. Such agreements are common among both retail and institutional pharmacies. Proviso (2)(c) also allows for such subcontracts where the respondent that operates a long-term care network (as UPC does) enters into an agreement with the incumbent pharmacy provider for an institutional facility within that network. Finally, Proviso (4) permits pharmacy agreements to operate or manage a pharmacy.

Parts III.A and III.B of the proposed order require the respondents to distribute the order to the Fully Capitated Health Plans and to certain officers, directors, and managers. Parts III.C, III.D, and III.E require each

respondent to file compliance reports, retain certain documents, and notify the Commission of certain changes in its corporate structure.

By direction of the Commission.

**Donald S. Clark,**  
Secretary.

[FR Doc. 98-14420 Filed 5-29-98; 8:45 am]

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### National Committee on Vital and Health Statistics; Meetings

Pursuant to the Federal Advisory Committee Act, the Department of Health and Human Services announces the following advisory committee meetings.

*Name:* National Committee on Vital and Health Statistics (NCVHS), Subcommittee on Health Data Needs, Standards, and Security.

*Times and Dates:* 10:00 a.m.-5:00 p.m., June 15, 1997.

*Place:* Room 505A, Hubert H. Humphrey Building, 200 Independence Avenue, SW, Washington, DC 20201.

*Status:* Open.

*Purpose:* Under the Administrative Simplification provisions of Pub. L. 104-191, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Secretary of Health and Human Services is required to adopt standards for specified transactions to enable health information to be exchanged electronically. The law requires that, within 24 months of adoption, all health plans, health care clearinghouses, and health care providers who choose to conduct these transactions electronically must comply with these standards. The law also requires the Secretary to adopt a number of supporting standards including standards for code sets and classifications systems. The Secretary is required to rely upon the recommendations of the National Committee on Vital and Health Statistics (NCVHS) in complying with these provisions. The NCVHS is the Department's federal advisory committee on health data, privacy and health information policy.

On June 15, 1998, the NCVHS Subcommittee on Health Data Needs, Standards, and Security will hold a meeting to review the progress of its work and plan future activities. The Subcommittee will discuss plans for addressing 1) the HIPAA requirements relating to electronic data interchange standards for claims attachments and 2) NCVHS recommendations for standards for clinical data and its electronic interchange. The Subcommittee also will consider possible comments on the published Notices of Proposed Rulemaking relating to the adoption of EDI standards for health care administrative transactions. In addition, the Subcommittee will discuss approaches to the development of a framework for procedure classification systems, as well as plans for public hearings

on unique individual identifiers for use in the health system. All topics and times are tentative and subject to change. Please check the NCVHS website, where a detailed agenda will be posted prior to the meeting.

*Contact Person for More Information:* Substantive program information as well as summaries of NCVHS meetings and a roster of committee members may be obtained by visiting the NCVHS website (<http://aspe.os.dhhs.gov/ncvhs>). You may also call James Scanlon, NCVHS Executive Staff Director, Office of the Assistant Secretary for Planning and Evaluation, DHHS, Room 440-D, Humphrey Building, 200 Independence Avenue SW, Washington, DC 20201, telephone (202) 690-7100, or Marjorie S. Greenberg, Executive Secretary, NCVHS, NCHS, CDC, Room 1100, Presidential Building, 6525 Belcrest Road, Hyattsville, Maryland 20782, telephone (301) 436-7050.

**Note:** In the interest of security, the Department has instituted stringent procedures for entrance into the Hubert H. Humphrey Building by non-government employees. Thus, individuals without government identification cards may need to have the guard call for an escort to the meeting room.

Dated: May 26, 1998.

**James Scanlon,**

Director, Division of Data Policy, Office of the Assistant Secretary for Planning and Evaluation.

[FR Doc. 98-14291 Filed 5-29-98; 8:56 am]

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Food and Drug Administration

[Docket No. 96N-0373]

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request

**AGENCY:** Food and Drug Administration, HHS.

**ACTION:** Notice.

**SUMMARY:** The Food and Drug Administration (FDA) is announcing that the proposed collection of information listed below has been submitted to the Office of Management and Budget (OMB) for review and clearance under the Paperwork Reduction Act of 1995 (the PRA).

**DATES:** Submit written comments on the collection of information by July 1, 1998.

**ADDRESSES:** Submit written comments on the collection of information to the Office of Information and Regulatory Affairs, OMB, New Executive Office Bldg., 725 17th St. NW., rm. 10235, Washington, DC 20503, Attn: Desk Officer for FDA.

**FOR FURTHER INFORMATION CONTACT:** Margaret R. Schlosburg, Office of

Information Resources Management (HFA-250), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-1223.

**SUPPLEMENTARY INFORMATION:** In compliance with section 3507 of the PRA (44 U.S.C. 3507), FDA has submitted the following proposed collection of information to OMB for review and clearance.

#### Request for Information From U.S. Processors that Export to the European Community (OMB Control Number 0910-0320—Reinstatement)

European Community (EC) is a group of 15 European countries that have agreed to harmonize their commodity requirements to facilitate commerce among member States. EC legislation for intra-EC trade has been extended to trade with non-EC countries, including the United States. For certain food products, including those listed below, EC legislation requires assurances from the responsible authority of the country of origin that the processor of the food is in compliance with applicable regulatory requirements.

With the assistance of trade associations and State authorities, FDA requests information from processors that export certain animal-derived products (e.g., shell eggs, dairy products, game meat, game meat products, and animal casings) to EC. FDA uses the information to maintain lists of processors that have demonstrated current compliance with U.S. requirements and provides the lists to EC quarterly. Inclusion on the list is voluntary. EC member countries refer to the lists at ports of entry to verify that products offered for importation to EC from the United States are from processors that meet U.S. regulatory requirements. Products processed by firms not on the list are subject to detention and possible refusal at the port. FDA requests the following information from each processor:

- (1) Business name and address;
- (2) Name and telephone number of person designated as business contact;
- (3) Lists of products presently being shipped to EC and those intended to be shipped in the next 6 months;
- (4) Name and address of manufacturing plants for each product;
- (5) Names and affiliations of any Federal, State, or local governmental agencies that inspect the plant, government-assigned plant identifier, such as plant number, and last date of inspection; and
- (6) Assurance that the firm or individual representing the firm and