



BUREAU OF COMPETITION

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

May 30, 1991

Samuel D. Dednam, D.M.D.  
1827 South 39th Street  
St. Louis, Missouri 63110

Dear Dr. Dednam:

This letter responds to your request for an advisory opinion concerning your desire to conduct of survey of salary ranges for certified dental consultants. Your letter has been referred to me for response because I direct the office within the Bureau of Competition that is responsible for antitrust law enforcement in health care markets.

According to your letter, you would like to conduct a survey of salary ranges for several functions performed by dental consultants employed by or working under contract with insurance carriers, hospitals, and health centers. You have requested an opinion on the conduct of the survey and the sharing of collected information with dental consultants, professional organizations, and insurers.

Your letter does not provide us with enough information about the purpose of the survey and the likely uses of its results, the form in which the information will be provided to dental consultants, and the structure of the dental consultant market to allow us to render a definite opinion on the conduct outlined in your letter. However, I can explain briefly the legal principles applicable to exchanges of price information among competitors. In this context, the term "price" would encompass the salaries or fees paid to providers by purchasers of health care services.

As a general rule, exchanges of price information are least likely to raise antitrust problems if they involve historical information, if the results are reported in aggregate form and concern ranges of prices, and if the markets involved in the information exchange contain a fairly large number of competitors. Antitrust problems are more likely to arise if the information concerns current or future prices, if the information disclosed pertains to individual transactions or to average prices or costs, or if the markets involved contain only a few competitors. Serious antitrust issues certainly arise if the exchange is used to facilitate a price-fixing agreement among

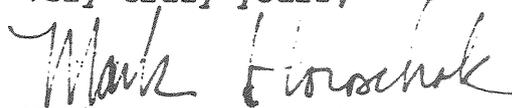
Samuel D. Dednam

-2-

competitors or is used to coerce, or threaten to coerce, buyers concerning the prices they pay or other terms of trade. I am enclosing for your information copies of a speech I delivered recently discussing exchanges of prices information and of three staff advisory opinions on that subject.

I hope this information answers your questions. If you need more information, please contact Judy Moreland, a senior attorney in this office. Her telephone number is (202) 326-2776.

Very truly yours,



Mark J. Horoschak  
Assistant Director

Enclosures

**Samuel D. Dednam, DMD, CDC (Certified Dental Consultant)**  
1827 South 39th Street  
St. Louis, MO 63110



May 13, 1991

Office of Secretary  
Federal Trade Commission  
Sixth and Pennsylvania  
Washington, D.C. 20580

Dear Commission Secretary;

I propose to send out a survey to Dental Consultants throughout the United States concerning salary ranges for several duty functions provided to insurance carriers.

My survey would ask questions regarding full-time and part-time employment salary, fees charged for testifying in court cases, and starting salary ranges for doctors employed or contracted by insurance carriers, hospitals, and health centers.

I need an Advisory Opinion in writing regarding my proposed survey and how I may share the collected information with professional Dental Consultants, national professional organizations and/or carriers.

Your prompt attention is greatly appreciated.

Sincerely yours,

  
Dr. Samuel D. Dednam