

Price fixing

[Health & Medicine](#), [Healthcare](#)



The case was released in the mid-2006, where the Federal Trade Commission has declared that they are challenging the members of the Puerto Rico Association of Endodontists, Corporation or the PRAE (Commissions, 2006). This is because of alleged price-fixing collaborations that they would be charging on several insurance policies and dental services that they offer. They have collaborated and made agreements with 30 other competitors, wherein they fixed their prices at the expense of their consumers.

Because of this, the FTC was forced to file a complaint against this company since it decreases the competition between these companies, thus higher costs will be imposed on the consumers. This is a clear violation of the Federal Trade Commission Act, Section number 5. In order for this matter to be resolved, The Puerto Rico Association of Endodontists, Corp. will have to refrain from involving in matters that promote anticompetitive conduct in the coming years.

Through this, the Federal Trade Commission will be able to make sure that these dental services and other necessary healthcare issues will be given and addressed for the consumers at prices that they could afford. Keeping a competitive environment in the aspect of health care will open up better opportunities for the people, along with lower competitive prices. Letting healthcare be monopolized will lead to higher pricing and less maintenance, and would really be a burden to the people, the consumers. That's why these health care providers and producers should not act as one; they should not collaborate with each other in their pricing, because it takes away the aspect of competitiveness between them.

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The complaints against Puerto Rico Association of Endodontists, Corporation shows that in the year 2003, the company has already began its bargaining with their competitors, thus resulting to the drastic increase in five dental plans already. Another increase occurred during 2004, wherein the prices also went up because of their bargaining.

Because of these actions the ones who were jeopardized were the people; they were the ones who carried the burden of increased rates, since these health care issues is a necessity for everyone. The Federal Trade Commission analyzed that these drastic changes in prices have no whatsoever effect on the quality of services offered by the company, thus the additional prices were not really justifiable. It doesn't lead to a better quality of health care, thus, it is only a waste in the part of the consumers.

Given the situation, the Federal Trade Commission proposed a consent order which will be solve the problem at hand. This will hopefully relieve the impact of the alleged anticompetitive actions by the Puerto Rico Association of Endodontists, Corporation and further prevent it from happening again. It would then hinder the company to have any settlements or agreements with other endodontists and negotiate with any payor on the services that they offer, except properly arranged by the organization.

Reference:

Commissions, F. T. (2006). FTC Charges Puerto Rico Endodontists With Price Fixing. Retrieved August 4, 2007

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